

EXHIBIT 7

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
SECURITIES INVESTOR PROTECTION
CORPORATION,

Plaintiff,

-against-

BERNARD L. MADOFF INVESTMENT
SECURITIES, LLC,

Adv. Pro. No.
08-01789(SMB)

SIPA Liquidation
(Substantially
Consolidated)

Defendant.

-----x
In Re:

BERNARD L. MADOFF,

Defendant.

-----x
June 13, 2016
9:58 a.m.

- CONFIDENTIAL -

Videotaped Continued Deposition of JOANN
SALA, taken by attorneys for the Trustee, at the
home of JoAnn Sala, 23 Shady Court, Bay Shore,
New York, before SUZANNE PASTOR, a Shorthand
Reporter and Notary Public within and for the
State of New York.

SIPC v BLMIS

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2 (Pages 175 to 178)

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1	APPEARANCES:	1	THE VIDEOGRAPHER: Good morning.
2	BAKER & HOSTETLER, LLP	2	We are now on the record.
3	Attorneys for Irving H. Picard, Trustee for	3	The date today is June 13th, 2016
4	the Substantively Consolidated SIPA	4	and the time is approximately 9:58 a.m. My name
5	Liquidation of BLMIS and the Estate of	5	is John Edmunds, the video technician, in
6	Bernard L. Madoff	6	association with Bendish Reporting. This
7	45 Rockefeller Plaza	7	deposition is being held at JoAnn Sala residence
8	New York, New York 10111	8	at 23 Shady Court, Bay Shore, New York 11706.
9	BY: SEANNA R. BROWN, ESQ.	9	The caption of this case is SIPC
10	sbrown@bakerlaw.com	10	versus BLMIS. This case is filed in the United
11	212.589.4200	11	States Bankruptcy Court, Southern District of
12	AND: AMY E. VANDERWAL, ESQ.	12	New York, adversary proceeding number 08-01789
13	avanderwal@bakerlaw.com	13	SMB. The name of the witness is JoAnn Sala.
14		14	At this time the attorneys present
15	CHAITMAN, LLP	15	will identify themselves and the parties they
16	Attorneys for a number of Madoff Victims	16	represent.
17	465 Park Avenue	17	MS. BROWN: Seanna Brown on behalf
18	New York, New York 10022	18	of Irving Picard.
19	BY: GREGORY M. DEXTER, ESQ.	19	MS. VANDERWAL: Amy Vanderwal on
20	888.759.1114	20	behalf of Irving Picard.
21		21	MR. DEXTER: Greg Dexter on behalf
22	ALSO PRESENT:	22	of Madoff customers.
23	JOHN EDMUNDS, Videographer	23	THE VIDEOGRAPHER: Will the court
24		24	reporter, Sue Pastor, please swear in the
25		25	witness.

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1	INDEX	1	JOANN SALA,
2	WITNESS EXAMINATION BY PAGE	2	residing at 23 Shady Court, Bay Shore, New York
3		3	11706, having been first duly sworn by the
4	Joann Sala Ms. Brown 178	4	Notary Public (Suzanne Pastor), was examined and
5	Mr. Dexter 227	5	testified as follows:
6	Ms. Brown 270	6	EXAMINATION BY
7	Mr. Dexter 279	7	MS. BROWN:
8	EXHIBITS	8	Q. Good morning, Ms. Sala.
9	TRUSTEE DESCRIPTION PAGE	9	A. Good morning.
10	Exhibit 61 HWN 1472 through 1824 179	10	Q. Thanks for appearing again as a
11	Exhibit 62 MADTBB 1800094 through 196	11	witness today.
12	1800109	12	Before we get started, I'd like to
13	Exhibit 63 MADTBB 1991239 212	13	remind you of a couple of the preliminary
14	Exhibit 64 AMF 142426 through 212	14	instructions I gave you on May 19th when we
15	142480	15	initially began your deposition. And the most
16	Exhibit 65 MF 177098 218	16	important one I want to remind you of is that
17	Exhibit 66 MADTBB 1764427 through 219	17	the judge has entered a protective order in this
18	1764466	18	case that limits this deposition to the subject
19	(Exhibits accompany the transcript.)	19	matter of profit withdrawal transactions only.
20		20	So the attorneys present here today can ask you
21		21	questions about profit withdrawal transactions,
22		22	but they can't go beyond the scope of that
23		23	subject matter.
24		24	Do you understand that?
25		25	A. Yes.

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<p>1 Q. And you understand that you're 2 under oath here today? 3 A. Yes. 4 Q. And you would testify the same as 5 you would at trial? 6 A. Yes. 7 MS. BROWN: I'd like to mark this 8 as Exhibit -- Trustee Exhibit 61, which is a 9 document bearing the Bates number HWN 00001472 10 through HWN 00001824. 11 (Trustee Exhibit 61 for 12 identification, HWN 1472 through 1824) 13 Q. Ms. Sala, if you could just take a 14 look at that document and let me know when 15 you're ready, I can ask you a few questions. 16 A. What page is it on? This? 17 Q. I want to ask you a couple of 18 questions about the entire document rather than 19 a specific page at this point. 20 A. Mm-hmm. 21 Q. Do you need a couple more minutes 22 to look through this? 23 A. Yes. 24 Q. Ms. Sala, do you recognize this 25 document?</p>	<p>1 she -- we would put -- anybody that knew if they 2 were getting a check put -- entered it into that 3 book. 4 Q. And when you say "that book," is 5 the document in front of you -- 6 A. The check-out book. 7 Q. -- the book that reflects that 8 amount you're referring to? 9 A. Yes. 10 Q. I just want to remind you, 11 Ms. Sala, we have to wait to finish your 12 questions and answers. 13 Let me start at the beginning. If 14 you could walk me through the process of when 15 someone would write in the check-out book, when 16 would that happen? 17 A. If they were -- if they asked for a 18 check, they would have to send us a letter. 19 Q. And when you say "they," you're 20 referring to the customer? 21 A. The customer. And when I got the 22 letter I would enter it into the check-out book 23 and file the letter. 24 Q. Where would you file the letter? 25 A. In their folder, the customer's</p>
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<p>1 A. Yes. 2 Q. And what is it? 3 A. It's a list of the checks going 4 out, the check-out book. 5 Q. And how do you recognize this book? 6 A. By the symbol that is -- the CW is 7 the capital withdrawal. It's the customer's 8 name, account number and amount of the check. 9 MS. BROWN: Let the record reflect 10 that the witness is examining the page ending in 11 HWN 00001475. 12 Q. Ms. Sala, what was this check-out 13 book used for? 14 A. Checks that went out to the 15 customers, either capital withdrawals that they 16 asked for the money or profit withdrawals. When 17 the deal was done, they took the profits. 18 Q. Ms. Sala, when you say that checks 19 went out to the customers, who sent the checks 20 out to the customers? 21 A. Madoff -- well, you mean the person 22 that -- 23 Q. The entity. What entity sent out 24 the checks to the customers? 25 A. Jodi handled the checkbook, so</p>	<p>1 folder. 2 Q. And you would make entries into the 3 check-out book? 4 A. Yes. 5 Q. Do you know who else would make 6 entries into the check-out book? 7 A. Jodi, Annette, Fran, Winnie. I 8 think that's it. 9 Q. Just so the record is clear, when 10 you say Jodi, you refer to Jodi Crupi? 11 A. Yes. 12 Q. And Annette is Annette Bongiorno? 13 A. Yes. 14 Q. Winnie is Winifred Jackson? 15 A. Yes. 16 Q. And Fran is Francis Barbato? 17 A. Yes. 18 Q. You testified that customers would 19 write a letter in and then you would note that 20 check request in the check-out book. 21 Were there times when you would 22 make entries into the check-out book when there 23 was no letter from the customer? 24 A. If they were profit withdrawals, 25 yes.</p>

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<p>1 Q. And how did you know it was time to 2 make an entry in the check-out book for a profit 3 withdrawal? 4 A. When the due date of the deal was 5 done, they would get their check. Checks would 6 be cut. 7 Q. If we could just break that down a 8 little bit. So you said when the due date was 9 done. How would you know when the due date 10 would be coming due? 11 A. When you set them up into the 12 stock, it was either four, five, six, seven or 13 eight weeks and the deal would be done. When it 14 was finished we sent out the profit check. 15 Q. And before you sent out the profit 16 check, did you make an entry into the check-out 17 book? 18 A. The profits? 19 Q. Before you sent a check to the 20 customer -- 21 A. Yes. 22 Q. -- did you make an entry into the 23 check-out book? 24 A. Not physically, no. No, they came 25 out on a computer sheet of the profits.</p>	<p>1 process? 2 A. No. That was computerized. But 3 some people were due on a certain date and 4 others weren't. So I separated them and put 5 them in the date order that they had to go out. 6 Q. Ms. Sala, if you could turn to the 7 page ending in 1561. Ms. Sala, do you recognize 8 the handwriting on this page? 9 A. Yes. 10 Q. Whose handwriting is it? 11 A. Mine. 12 Q. Ms. Sala, what is the date and 13 month of this page? 14 A. April 9th. 15 Q. And can you tell me what the 16 entries are that are on this page? 17 A. They're the account number, the 18 amount of the profit, and the date that they are 19 due -- no, it's probably the date that they're 20 going out. I don't remember. Why it's 21 different from 4/9 and 5/2, I don't remember. 22 And the Policy Management was the stock that 23 they were in. 24 Q. Does the page reflect other stocks? 25 A. Yes.</p>
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<p>1 Q. Okay, I think maybe my question is 2 not so clear. I was trying to understand the 3 order. So when the deal ended, what was the 4 next thing that you did? 5 A. We got a printout -- it wasn't 6 really a printout. It was a printout but 7 different people would do it different times. 8 And so we would cut those out and put them on 9 the sheet and give it to her to write the checks 10 out. 11 Q. When you say "give it to her," who 12 are you referring to? 13 A. Jodi Crupi. 14 Q. And these sheets that you're 15 referring to, where were they maintained? 16 A. Where did they come from? Or who 17 handled them once they were out? 18 Q. If you could address both, that 19 would be great. 20 A. Well, they came out of the computer 21 room. I don't know who did them or what. But 22 then I would take them and separate them 23 according to due dates. 24 Q. And how did you separate them 25 according to due dates? Was that a manual</p>	<p>1 Q. And what are those stocks? 2 A. Those are different stocks that 3 were due on the same date in different accounts. 4 Q. So let's stick with the date of 5 May 2nd, which do you see that on this page? 6 A. Uh-huh, yes. 7 Q. So on May 2nd, can you walk me 8 through what you would have done? 9 A. Punched in the account number, the 10 amount and that's all I think. The date would 11 be on the check. And I don't think that we put 12 the name of the stock on the check. I don't 13 think. 14 Q. And when you say "punched in," 15 where did you punch that in? 16 A. In the computer room. I forget her 17 name. Jodi had this book and she used to -- I 18 believe it went into the computer room, and I 19 can't remember her name, she would punch them 20 in. I think that's how it worked. 21 Q. Okay, so you didn't personally 22 punch the checks into the computer system. 23 A. No. 24 Q. But you did make entries into the 25 check-out book that we're looking at now.</p>

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<p>1 A. Yes, mm-hmm.</p> <p>2 Q. When you were describing earlier</p> <p>3 that a deal would end, is one of those deals</p> <p>4 like the one we see here for Policy Management?</p> <p>5 A. Yes.</p> <p>6 Q. And when the deal would end, would</p> <p>7 you make an entry in the check-out book?</p> <p>8 A. Yes.</p> <p>9 Q. And are the entries that are</p> <p>10 reflected on the page ending 1561 examples of</p> <p>11 the type of entries you would make when a deal</p> <p>12 ended for a particular customer?</p> <p>13 A. Yes.</p> <p>14 Q. And the entries that are reflected</p> <p>15 on this page are made in what you refer to as</p> <p>16 the check-out book?</p> <p>17 A. Yes.</p> <p>18 Q. What's your understanding of what</p> <p>19 happened after you put the entries into the</p> <p>20 check-out book? What happened next?</p> <p>21 A. Then the checks would be sent to</p> <p>22 the customers. I don't know if it was on that</p> <p>23 date or about on that date.</p> <p>24 Q. And would you go through a similar</p> <p>25 process for each time a deal ended?</p>	<p>1 Q. Did the due date report include --</p> <p>2 strike that.</p> <p>3 You stated before that the due date</p> <p>4 report would include information about the</p> <p>5 profits that were due a customer.</p> <p>6 A. Yes.</p> <p>7 Q. Would the due date report also</p> <p>8 include information about capital withdrawals?</p> <p>9 A. No.</p> <p>10 Q. Did you rely on any other types of</p> <p>11 documents to determine when a deal was ending?</p> <p>12 A. Do you mean when it was set up into</p> <p>13 it?</p> <p>14 Q. I'm referring to the time period</p> <p>15 when a deal comes due. Did you look at anything</p> <p>16 other than the due date report?</p> <p>17 A. No. No.</p> <p>18 Q. What documents did you rely upon</p> <p>19 when you were setting up a deal?</p> <p>20 A. The due date report, we used those</p> <p>21 customers to put them into a new one.</p> <p>22 Q. Into a new deal?</p> <p>23 A. Deal, mm-hmm.</p> <p>24 Q. So what happens when one deal ends?</p> <p>25 What happens next?</p>
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<p>1 A. Yes.</p> <p>2 Q. I want to go back to what you were</p> <p>3 discussing in terms of when the deals ended. Is</p> <p>4 the term "due date report" familiar to you?</p> <p>5 A. Yes.</p> <p>6 Q. And is that the document that you</p> <p>7 were referring to earlier when you said that's</p> <p>8 how you tracked when deals were becoming due?</p> <p>9 A. Mm-hmm, yes.</p> <p>10 Q. Can you describe to me what the due</p> <p>11 date report looked like?</p> <p>12 A. It had the account number, the</p> <p>13 customer's name, the stock that they were in.</p> <p>14 And the profit that they made.</p> <p>15 Q. Did it also -- did it include their</p> <p>16 account number?</p> <p>17 A. Yes. I think that was listed</p> <p>18 first.</p> <p>19 Q. Who printed the due date report for</p> <p>20 you?</p> <p>21 A. The computer room girl. I can't</p> <p>22 think of her name.</p> <p>23 Q. You can't remember her name?</p> <p>24 A. No, I can't. It's on the tip of my</p> <p>25 tongue. Not a common name.</p>	<p>1 A. Then they're set up into something</p> <p>2 else.</p> <p>3 Q. Would that be a new stock entirely</p> <p>4 or just a new deal in the same stock?</p> <p>5 A. It was usually a new stock.</p> <p>6 Q. And when you say that they were set</p> <p>7 up, can you tell me what that entailed?</p> <p>8 A. The amount of capital that they had</p> <p>9 in their account, if it was within range of the</p> <p>10 ticket that David gave me, if it was more than</p> <p>11 that, then I couldn't put him all in the one</p> <p>12 stock, I would have to get a second one to set</p> <p>13 him up in.</p> <p>14 Q. And when you say "him," are you</p> <p>15 referring to the customer?</p> <p>16 A. Yes.</p> <p>17 Q. So David Kugel assisted you with</p> <p>18 setting up customers in deals?</p> <p>19 A. Yes.</p> <p>20 Q. Did anyone else assist you with</p> <p>21 that process?</p> <p>22 A. No.</p> <p>23 Q. Once you were done with the due</p> <p>24 date report, what did you do with them?</p> <p>25 A. Well, after we put them in the</p>

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<p>1 checkbook, the check-out book, then they were 2 set up again into -- on sheets of paper into a 3 new stock. I believe that came from the -- 4 yeah, the old -- the due date report. That's 5 how I set them up again. 6 Q. Okay, and when you finished setting 7 up the customers, what did you do with the 8 actual due date report? 9 A. We cut them and put them -- when 10 they put a new stock, when they printed that 11 out, we would put them on there, Scotch tape 12 them on there if they were going into that 13 stock. 14 Q. Okay, so you would Scotch tape the 15 due date report in pieces onto a page. 16 A. Uh-huh. Because not all of them 17 were due on the same date. 18 Q. And the pages that you created with 19 the due date reports Scotch taped to them, where 20 were those pages kept? 21 A. I don't know. Once they left me, 22 they went into the computer room and she punched 23 them. I don't remember what happened after 24 that. 25 Q. After a new deal was set up, would</p>	<p>1 the check-out book? 2 A. Check-out book, mm-hmm. 3 Q. So you would make entries in the 4 check-out book after reviewing the due date 5 report. 6 A. Yes. 7 Q. And then once you made your entries 8 in the check-out book, what did you do with the 9 check-out book next? 10 A. We just always left it in the same 11 place. And anybody could go -- everybody knew 12 where it was to go and put a check in there. 13 Q. What place was the check-out book 14 maintained? 15 A. I believe it was in Jodi's office. 16 Jodi Crupi. 17 Q. After the information was entered 18 into the check-out book, what happened after 19 that? 20 A. I guess they were punched in on the 21 date that -- whatever date was on the page, 22 that's when they would go out. 23 Q. And there were employees at BLMIS 24 that were responsible for punching information 25 into the computer system?</p>
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<p>1 you get a due date report sometime after that? 2 A. Yes. 3 Q. And then you would -- once you got 4 the due date report, can you tell me one more 5 time what kind of process you would go through? 6 A. We'd post it in our loose-leaf 7 book. 8 Q. Which book are you referring to? 9 A. The ledger, where we had all 10 customers' names. And we would post it in there 11 with the stock, the due date, the amount of 12 weeks and the profit that they made. 13 Q. And then what happened next? 14 A. Then when it came due they were set 15 up again. And the checks went out on the due 16 date. 17 Q. What's the function of the 18 check-out book in that process? 19 A. The check-out book? That's to send 20 them profits. Only people that received profits 21 went in that book. Not anybody else. If they 22 didn't take profits, they weren't in this book, 23 unless they requested money. If they requested 24 money, then they went in the book. 25 Q. And "the book," you're referring to</p>	<p>1 A. Mm-hmm. 2 Q. Yes? 3 A. Yes. 4 Q. And when you say the checks were 5 punched in, are you referring to those employees 6 as who was doing the punching? 7 A. Yes. 8 Q. If I could direct your attention to 9 the page with the Bates label of HWN 00001528, 10 Ms. Sala, do you see a date on that document? 11 A. Uh-huh. 12 Q. What is that date? 13 A. March 28, 1991. 14 Q. And is March 28th, 1991 consistent 15 with your understanding of the time period in 16 which Exhibit 61 was created? 17 A. Please repeat it. 18 Q. Sure. Was March 28th, 1991 around 19 the time when Exhibit 61 was created, that 20 entire document? 21 A. What is -- oh, this whole thing? 22 Q. Mm-hmm. 23 A. I'm not sure that I understand. 24 Q. You testified earlier that this is 25 the check-out book.</p>

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<p>1 A. Yes.</p> <p>2 Q. And we see within that book that</p> <p>3 there are several dates.</p> <p>4 A. Yes.</p> <p>5 Q. Where has the date generally been</p> <p>6 reflected on the pages in this document?</p> <p>7 A. On the top.</p> <p>8 Q. What's the date that you see on the</p> <p>9 top?</p> <p>10 A. March 28th, '91.</p> <p>11 Q. And do you have any reason to</p> <p>12 believe -- strike that.</p> <p>13 Based on your review of the</p> <p>14 document, is that date consistent with your</p> <p>15 understanding of when this document was created?</p> <p>16 A. Mm-hmm.</p> <p>17 Q. Yes?</p> <p>18 A. Yes.</p> <p>19 Q. And did you see the document that's</p> <p>20 been marked as Exhibit 61 while you were</p> <p>21 employed at BLMIS?</p> <p>22 A. Yes.</p> <p>23 Q. And did you make entries into that</p> <p>24 book while you were employed at BLMIS?</p> <p>25 A. Yes.</p>	<p>1 Q. Ms. Sala, if you could tell me, do</p> <p>2 you recognize this document?</p> <p>3 A. Yes.</p> <p>4 Q. And what is it?</p> <p>5 A. It's a check -- profit check that</p> <p>6 went out to a customer. It was the check and</p> <p>7 the memo that went with it.</p> <p>8 Q. How do you know it was a profit</p> <p>9 check that went to the customer?</p> <p>10 A. Well, there's a PW on it.</p> <p>11 Q. Where do you see the PW notation</p> <p>12 reflected? On what part of the document?</p> <p>13 A. On the memo.</p> <p>14 Q. Is the memo on the top portion of</p> <p>15 the document that you're looking at?</p> <p>16 A. Yes.</p> <p>17 Q. So if you could just walk me</p> <p>18 through the memo portion of the document and</p> <p>19 tell me about it, what information does the memo</p> <p>20 portion contain?</p> <p>21 A. It was a profit withdrawal check</p> <p>22 for Cardinal Health, that was the name of the</p> <p>23 stock that she was in, and the profit was</p> <p>24 \$1,331.75 to Hanoh Charat, her address, and her</p> <p>25 account number.</p>
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<p>1 Q. And were those entries made</p> <p>2 contemporaneously with your duties?</p> <p>3 A. Yes.</p> <p>4 Q. Did BLMIS use other notebooks with</p> <p>5 similar information to what's reflected in</p> <p>6 Exhibit 61?</p> <p>7 A. Not that I know of.</p> <p>8 Q. Were there more than one check-out</p> <p>9 book during the time period at which you were</p> <p>10 employed at BLMIS?</p> <p>11 A. Not that I know of, no.</p> <p>12 Q. You are familiar with the check-out</p> <p>13 book that we're reviewing.</p> <p>14 A. Yes.</p> <p>15 Q. Are you aware of a time at which</p> <p>16 BLMIS stopped using spiral notebooks to record</p> <p>17 check-out information?</p> <p>18 A. Not while I was there, no.</p> <p>19 Q. Ms. Sala, we're done with that</p> <p>20 exhibit so you can put that to the side.</p> <p>21 MS. BROWN: I'd like to mark a</p> <p>22 document bearing Bates number MADTBB 01800094</p> <p>23 through MADTBB 01800109 as Trustee Exhibit 62.</p> <p>24 (Trustee Exhibit 62 for</p> <p>25 identification, MADTBB 1800094 through 1800109)</p>	<p>1 Q. When you say that's the stock that</p> <p>2 she was in, you also used the term "deal."</p> <p>3 Would the deal of this particular that we're</p> <p>4 looking at be Cardinal Health?</p> <p>5 A. Yes.</p> <p>6 Q. Turning to the bottom portion of</p> <p>7 the document ending in Bates number 094, can you</p> <p>8 describe what you see there?</p> <p>9 A. It's paid to the order of Hanoh</p> <p>10 Charat on November 25th, 1998. And that was</p> <p>11 1,331.75. And her account number is on there.</p> <p>12 Q. Is the account number in the memo</p> <p>13 field of the check?</p> <p>14 A. Yes. Where it says 4.</p> <p>15 Q. Does amount of the check on the</p> <p>16 bottom portion of this document match the memo</p> <p>17 portion on the top of the document?</p> <p>18 A. Yes, it does.</p> <p>19 Q. Do you know how this document that</p> <p>20 we're looking at in Trustee Exhibit 62 was</p> <p>21 generated?</p> <p>22 A. It was -- yeah, it was punched in</p> <p>23 in the computer room. That's all I know, yeah.</p> <p>24 Q. Do you know when this type of</p> <p>25 document would be generated for a customer?</p>

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<p>1 A. When the due date -- when the deal 2 was over, they had a due date, and then the 3 check would go out about that time. 4 Q. And would a memo and copy of a 5 check be sent to a customer after the due date? 6 A. Yes. 7 Q. Would the type of document we're 8 looking at in Trustee Exhibit 62, would that be 9 sent with the check? 10 A. The memo? 11 Q. Mm-hmm. 12 A. Yes. 13 Q. Do you know whether BLMIS 14 maintained copies of the type of document we're 15 looking at in Trustee Exhibit 62? 16 A. I don't think so. 17 Q. You don't -- 18 A. I don't know. I don't know. I 19 don't think there were duplicates of it. I'm 20 not sure. 21 Q. Was the document that we are 22 looking at in Trustee Exhibit 2 created in the 23 ordinary course of BLMIS's business? 24 A. Yes. 25 Q. And to your knowledge, these</p>	<p>1 A. Into the computer room. 2 Q. You testified a moment ago, you 3 said once you put them in there, then you give 4 them to the computer room. 5 A. Into the stock. Once I put them 6 into the stock, I gave that paper to, and she 7 punched them in. 8 Q. And to your knowledge, the types of 9 documents we're looking at in Trustee Exhibit 62 10 would be generated after that? 11 A. Yes. 12 Q. And would these documents be sent 13 to the customer, to your knowledge? 14 A. Yes. 15 Q. Ms. Sala, I'm going to put before 16 you several exhibits that were previously marked 17 in your deposition on May 19th. So if you could 18 just close that document, unless you wanted 19 to -- 20 A. I don't know what this is. 21 MS. BROWN: Let the record reflect 22 that the witness is referring to page number 23 MADTBB 01800096. 24 Q. Did you want to tell me something 25 about that page?</p>
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<p>1 documents were sent to customers? 2 A. These were, yes. 3 Q. When you say "these," are you 4 referring to the page we're looking at in 5 Trustee Exhibit 62 ending in 094? 6 A. Yes. 7 Q. Ms. Sala, I want to turn through 8 the rest of the pages that are in this document. 9 If you can take a look at the remainder of the 10 pages. 11 Ms. Sala, looking at the pages of 12 the document going from 095 to 108, can you tell 13 me what those pages reflect? 14 A. Those are the confirmations that 15 were sent to the customers to show them what 16 stock they were in. 17 Q. And are these confirmations related 18 to the arbitrage deals that you worked in? 19 A. Yes. 20 Q. Do you know how these confirmations 21 were generated? 22 A. No. Once I put them in there, we 23 gave to the computer room and they punched it. 24 Q. When you say "in there," what are 25 you referring to?</p>	<p>1 A. I don't -- I never saw it before. 2 Q. You've not seen this page before, 3 okay, thank you for clarifying. 4 A. Okay. 5 Q. Turning to the page directly 6 before, Ms. Sala, I think you just testified 7 that you had not seen the page number ending in 8 096, is that correct? 9 A. Right, mm-hmm. 10 Q. If you could turn to the page 11 directly before that, the Bates range is MADTBB 12 01800095. 13 A. Right. 14 Q. Have you seen that page? 15 A. Yes. 16 Q. And turning back to the page before 17 that which ends in 094, can you tell me whether 18 you have seen this page? 19 A. Yes. 20 Q. Okay, I'd like to turn to several 21 exhibits that were marked at your prior 22 deposition, and we're going to compare it to 23 Trustee Exhibit 62. So you can keep that for 24 now. 25 MR. DEXTER: I do if you need it.</p>

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<p>1 MS. BROWN: I have one for you. Do 2 you need it? 3 Q. Ms. Sala, I'm going to place before 4 you what's been previously marked as Trustee 5 Exhibit 27, Trustee Exhibit 28, and Trustee 6 Exhibit 29. If you can take a look at those 7 three documents while I give copies to my 8 opposing counsel. 9 A. (The witness reviews the document.) 10 MR. DEXTER: Are we short a copy? 11 MS. BROWN: It's somewhere in here. 12 I just can't find it. 13 Q. If we could look first at Trustee 14 Exhibit 29, Ms. Sala, can you tell me what 15 transactions you see on Trustee Exhibit 29 16 relating to Cardinal Health? 17 A. There is the amount of money in 18 Cardinal Health, that was the price, 87 and a 19 half I believe was the price, 213,850 is what 20 went into it. And the profit -- no, that's a 21 different number. 22 Q. Could you tell me what customer 23 that securities transaction was for in Exhibit 24 29? 25 A. Hanoh Charat.</p>	<p>1 A. On November 5th. 2 Q. And were those -- was that a sell 3 transaction? 4 A. Yes. 5 Q. Can you identify any other 6 transactions that occurred in November 1998 7 relating to Cardinal Health? 8 A. The stock split, 3 for 2 stock 9 split on November 5th, 1998. 10 Q. What does that stock split relate 11 to? 12 A. I really don't know. To the stock, 13 but I don't know. 14 Q. Was it related to the sell 15 transactions that you identified? 16 A. Yes. 17 Q. Also on November 5th? 18 A. Yes. 19 Q. Looking at the statement, Trustee 20 Exhibit 27, do you see any other transactions on 21 the statement that relate to Cardinal Health? 22 A. No. Oh, the check that went out. 23 The profit withdrawal of \$41,331.75 went out on 24 November 20th. No, 25th. 25 Q. So November 25th, there's a checks</p>
Page 204	Page 206
<p>1 Q. And what was the -- what is the 2 date of this document? 3 A. October 31st, 1998. 4 Q. And the transaction you just 5 identified in Cardinal Health, was that to your 6 knowledge a buy transaction in Cardinal Health? 7 Is that a purchase of securities? 8 A. Yes, uh-huh. 9 Q. Yes? 10 A. Yes. 11 Q. Turning to Trustee Exhibit 27, can 12 you tell me what customer this document is for? 13 A. Hanoh Charat. 14 Q. And what is the date of this 15 document? 16 A. November 30th, 1998. 17 Q. Ms. Sala, could you identify 18 transactions in Cardinal Health that occurred in 19 November 1998? 20 A. Two sales, 58 and three quarters 21 was the price. And the amount of shares -- the 22 amount of shares was 2,100. And the second one 23 was 1,566 at 58-5/8. 24 Q. What date did those transactions 25 you just described occur on?</p>	<p>1 transaction. 2 A. Yes. 3 Q. And the description on the 4 statement, what does that read? 5 A. Profit withdrawal. 6 Q. In the field before where it says 7 PW, what does that read? 8 A. Check for Cardinal Health. 9 Q. And the amount of that transaction, 10 can you tell me what that was? 11 A. \$1,331.75. 12 Q. And if we could turn to Trustee 13 Exhibit 28, can you tell me what that document 14 is? 15 A. That is a check that went out for 16 \$1,331.75 on November 25th, 1998 to Hanoh 17 Charat. 18 Q. And does the check image 19 information that's in Trustee Exhibit 28, does 20 that match the check transaction in Exhibit -- 21 Trustee Exhibit 27? 22 A. Yes, it does. 23 Q. Does the amount match? 24 A. Yes. 25 Q. Does the date match?</p>

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<p>1 A. Yes.</p> <p>2 Q. And is the check made payable to</p> <p>3 the customer whose account statement is</p> <p>4 reflected in Trustee Exhibit 27?</p> <p>5 A. Yes.</p> <p>6 Q. And the check is made payable to</p> <p>7 Hanoh Charat, yes?</p> <p>8 A. Yes.</p> <p>9 Q. And the statement in Exhibit 27,</p> <p>10 the description reads "check Cardinal Health,"</p> <p>11 correct?</p> <p>12 A. Yes.</p> <p>13 Q. Ms. Sala, I'd like if you could</p> <p>14 explain to me the timing that we see in these</p> <p>15 transactions. So you testified earlier that</p> <p>16 you've identified a transaction on November 5th</p> <p>17 relating to a sell transaction in Cardinal</p> <p>18 Health, correct?</p> <p>19 A. Yes.</p> <p>20 Q. And the profit withdrawal</p> <p>21 transaction occurs on November 25th, correct?</p> <p>22 A. Yes.</p> <p>23 Q. And November 25th is after the</p> <p>24 securities in Cardinal Health were purportedly</p> <p>25 sold, correct?</p>	<p>1 Q. And do you know what those numbers</p> <p>2 represent?</p> <p>3 A. A checking account number or</p> <p>4 routing number.</p> <p>5 Q. Turning to the top right corner of</p> <p>6 the check image in Trustee Exhibit 62, do you</p> <p>7 see a check number on that image?</p> <p>8 A. Yes.</p> <p>9 Q. And what is that number?</p> <p>10 A. 87906.</p> <p>11 Q. Turning to Trustee Exhibit 28, do</p> <p>12 you see a check number on that document?</p> <p>13 A. 87906.</p> <p>14 Q. Do the check numbers in Trustee</p> <p>15 Exhibit 28 and Trustee Exhibit 62 match?</p> <p>16 A. They do.</p> <p>17 Q. Turning to the date of the check</p> <p>18 image in Trustee Exhibit 62, can you tell me</p> <p>19 what date that is?</p> <p>20 A. November 25th, 1998.</p> <p>21 Q. And turning to Trustee Exhibit 28,</p> <p>22 can you tell me what date is reflected on this</p> <p>23 document?</p> <p>24 A. November 28 -- November 25th, 1998.</p> <p>25 Q. And turning back to Trustee Exhibit</p>
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<p>1 A. Yes.</p> <p>2 Q. And Ms. Sala, just so I have the</p> <p>3 terminology correct, when we're looking at this</p> <p>4 November 30th, 1998 statement in Trustee Exhibit</p> <p>5 27, would Cardinal Health be the deal for that</p> <p>6 particular customer?</p> <p>7 A. Yes.</p> <p>8 Q. I'd like to turn to Trustee Exhibit</p> <p>9 62. We're just going to look at that first page</p> <p>10 which ends in 094.</p> <p>11 Ms. Sala, I'd like to compare</p> <p>12 Trustee Exhibit 22 with Trustee Exhibit 28. So</p> <p>13 I'm just going to place them next to each other</p> <p>14 for you. Looking at Trustee Exhibit 62, the</p> <p>15 bottom portion of 62, do you see a check image?</p> <p>16 A. Yes.</p> <p>17 Q. And on that image do you see a</p> <p>18 check number?</p> <p>19 A. Yes.</p> <p>20 Q. What is that number?</p> <p>21 A. 000879060388002676301428151509.</p> <p>22 Q. The numbers that you just read,</p> <p>23 where do they appear on the check image of</p> <p>24 Trustee Exhibit 62?</p> <p>25 A. At the bottom of the check.</p>	<p>1 62, can you tell me what the amount is that's</p> <p>2 reflected on the bottom portion of Trustee</p> <p>3 Exhibit 62?</p> <p>4 A. \$1,331.75.</p> <p>5 Q. And turning to Trustee Exhibit 28,</p> <p>6 can you tell me what amount is reflected on that</p> <p>7 document?</p> <p>8 A. \$1,331.75.</p> <p>9 Q. And turning back to Trustee Exhibit</p> <p>10 62, who is the recipient of the check image?</p> <p>11 Who is it made payable to?</p> <p>12 A. Hanoh Charat.</p> <p>13 Q. And turning to Trustee Exhibit 28,</p> <p>14 who is that check made payable to?</p> <p>15 A. Hanoh Charat.</p> <p>16 Q. I'd like to turn to Trustee Exhibit</p> <p>17 27. You can leave those other ones out.</p> <p>18 Trustee Exhibit 27, can you identify for me the</p> <p>19 transaction that occurs on November 25th?</p> <p>20 A. A check for Cardinal Health is sent</p> <p>21 to Hanoh Charat in the amount of \$1,331.75.</p> <p>22 Q. And what code is reflected on that</p> <p>23 statement for that transaction?</p> <p>24 A. PW, which means profit withdrawal.</p> <p>25 Q. Turning to Trustee Exhibit 62,</p>

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11 (Pages 211 to 214)

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<p>1 looking at the top portion of the document, can 2 you read for me the top line of the document? 3 A. "Profit withdrawal check for 4 Cardinal Health." 5 Q. In what amount? 6 A. \$1,331.75. 7 Q. And the portion of the memo that 8 you just read from Trustee Exhibit 62, does that 9 match the transaction description in the 10 customer statement? 11 A. Yes. 12 Q. In Trustee Exhibit 27? 13 A. Yes, it does. 14 Q. And the check image on the bottom 15 of Trustee Exhibit 62 matches the check in 16 Trustee Exhibit 28, correct? 17 A. Yes. 18 Q. And the check image and the check 19 in Trustee Exhibits 62 and 28 are made payable 20 to Hanoh Charat. 21 A. Yes. 22 Q. We're done with those exhibits. 23 You can put those to the side. 24 MS. BROWN: I'd like to mark a 25 document with the Bates number MADTBB 01991236</p>	<p>1 it. 2 Q. Can you tell from looking at this 3 page whether this was a send or reinvest 4 account? 5 A. It ended up as a send. 6 Q. How do you know that? 7 A. The S on here. It started out with 8 it, and then it was a reinvest, and then a send, 9 a reinvest and a send. 10 Q. If we could turn to the last page 11 of that document which ends in 239, what does 12 this document reflect? 13 A. The changes that they made to the 14 account. 15 Q. And what kind of changes are 16 reflected on that a page? 17 A. If they were going to take a profit 18 or reinvest the money. 19 Q. And how -- sorry, go ahead. 20 A. And they did that four times -- 21 five times, whatever. 22 Q. And you see that reflected on the 23 page ending 239? 24 A. Yes. 25 Q. Do you recognize any of the</p>
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<p>1 through MADTBB 01991239 as Trustee Exhibit 63. 2 (Trustee Exhibit 63 for 3 identification, MADTBB 1991239) 4 MS. BROWN: I'd also like to mark 5 document bearing the Bates number AMF 00142426 6 through AMF 00142480 as Trustee Exhibit 64. 7 (Trustee Exhibit 64 for 8 identification, AMF 142426 through 142480) 9 Q. Turning to Trustee Exhibit 63, 10 Ms. Sala, do you recognize this document? 11 A. Yes. 12 Q. What is it? 13 A. It's a folder for Teresa R. Ryan 14 and Lawrence J. Ryan, Trustee, that we kept 15 their information in. Any papers, any requests 16 for money, whatever, into the folder. 17 Q. Turning to the document ending 18 in -- sorry, with the Bates number MADTBB 19 01991238, can you look at that page for me. 20 Ms. Sala, what is that page? 21 A. That's a maintenance file that we 22 kept with the name of the account, the type of 23 account that they had and whether they were 24 going to receive profits or not, and the group 25 name and their Social Security number. That's</p>	<p>1 handwriting on this page? 2 A. I think the changes I did. And I 3 think that's Annette. 4 MS. BROWN: Let the record reflect 5 that the witness is pointing to the top entry on 6 the page ending in 239 as the handwriting of 7 Annette Bongiorno. 8 Q. Correct? 9 A. Yes. 10 Q. The entry reads October 15, 1991, 11 CONF-SS, pound sign. 12 You testified that your handwriting 13 appears on this page. Could you tell me the 14 dates of the entries that appear to be your 15 handwriting? 16 A. 5/3/93, 12/28/93, 10/10/95, and 17 1/5/96. And then I don't know whose -- it 18 changed to a new account in '97. 19 Q. So the entry you're not familiar 20 with is the last entry on that page? 21 A. Right, yes. 22 Q. Turning to Trustee Exhibit 64, 23 we're going to keep looking at that back page, 24 you might want to keep that handy. If you turn 25 to the page with the Bates number AMF -- sorry,</p>

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12 (Pages 215 to 218)

<p style="text-align: right;">Page 215</p> <p>1 let me back up for a second.</p> <p>2 Ms. Sala, do you recognize Trustee</p> <p>3 Exhibit 64?</p> <p>4 A. Yes.</p> <p>5 Q. And what is it?</p> <p>6 A. It's the account of Teresa and</p> <p>7 Lawrence Ryan. And this tells you the type of</p> <p>8 account -- the name, the address, the group name</p> <p>9 and whether they're going to take profits or</p> <p>10 not, and the type of account that it is.</p> <p>11 MS. BROWN: Let the record reflect</p> <p>12 the witness is reviewing the page with the Bates</p> <p>13 number AMF 00142427.</p> <p>14 Q. Ms. Sala, what does this document</p> <p>15 appear to be, the entirety of the document?</p> <p>16 A. That they opened an account and all</p> <p>17 the information that they gave us is in here.</p> <p>18 That's it. And their account number, the group</p> <p>19 that they were in. That's all.</p> <p>20 Q. If I could have you turn to the</p> <p>21 page ending in 441 of Trustee Exhibit 64,</p> <p>22 Ms. Sala, do you recognize this document?</p> <p>23 A. Yes.</p> <p>24 Q. What is that document?</p> <p>25 A. It's a letter from a customer</p>	<p style="text-align: right;">Page 217</p> <p>1 Q. After receiving the type of letter</p> <p>2 that we see in the page ending 441, what would</p> <p>3 you do?</p> <p>4 A. I would change it in the ledger</p> <p>5 book and change it from a profit withdrawal to a</p> <p>6 reinvest, initial it and put it in their file.</p> <p>7 Q. And we do see your initials on this</p> <p>8 document, correct?</p> <p>9 A. Yes.</p> <p>10 Q. And do your initials there reflect</p> <p>11 that you made a change to the account?</p> <p>12 A. Yes.</p> <p>13 Q. Turning back to Trustee Exhibit 63,</p> <p>14 do you see a notation on the folder cover of</p> <p>15 Trustee Exhibit 63 that corresponds to the</p> <p>16 letter we just reviewed in Trustee Exhibit 64?</p> <p>17 A. October 10th, yes.</p> <p>18 Q. And what happened on October 10th,</p> <p>19 1995?</p> <p>20 A. It was changed. The letter</p> <p>21 obviously was written and then sent, and it</p> <p>22 probably took a week before we actually made the</p> <p>23 change.</p> <p>24 Q. What change did you make?</p> <p>25 A. We changed it to a reinvest from a</p>
<p style="text-align: right;">Page 216</p> <p>1 making a change to his account.</p> <p>2 Q. And what type of change did the</p> <p>3 customer make?</p> <p>4 A. He wanted to change it to a</p> <p>5 reinvest account.</p> <p>6 Q. And how do you know that?</p> <p>7 A. Because he said "please hold the</p> <p>8 distribution for account number 1R00731," which</p> <p>9 is Lawrence and Teresa Ryan.</p> <p>10 Q. Ms. Sala, directly under the date</p> <p>11 there's some initials. Do you recognize those</p> <p>12 initials?</p> <p>13 A. Yes. Mine.</p> <p>14 Q. Those are your initials?</p> <p>15 A. Yes.</p> <p>16 Q. To your knowledge, is this letter</p> <p>17 addressed to you?</p> <p>18 A. No -- well, it's addressed to</p> <p>19 Madoff. They might have had on the envelope</p> <p>20 attention JoAnn. I don't know.</p> <p>21 Q. The top line of the letter, what</p> <p>22 does the type line of the letter read?</p> <p>23 A. "Dear JoAnn."</p> <p>24 Q. Do you believe that's you?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 218</p> <p>1 send.</p> <p>2 Q. And that's what was reflected in</p> <p>3 the letter that we looked at in Trustee Exhibit</p> <p>4 64?</p> <p>5 A. Yes.</p> <p>6 Q. Ms. Sala, you testified that you</p> <p>7 made changes to this account, correct?</p> <p>8 A. Yes.</p> <p>9 Q. And did you make them</p> <p>10 contemporaneously with receiving the letter from</p> <p>11 the customer?</p> <p>12 A. Yes.</p> <p>13 Q. We're done with those exhibits for</p> <p>14 now.</p> <p>15 I'd like to mark the document</p> <p>16 bearing the Bates number MF 00177098 as Trustee</p> <p>17 Exhibit 65.</p> <p>18 (Trustee Exhibit 65 for</p> <p>19 identification, MF 177098)</p> <p>20 Q. Ms. Sala, do you recognize this</p> <p>21 document?</p> <p>22 A. Yes. It's a statement for Teresa</p> <p>23 Ryan and Lawrence Ryan, July 31st, 1995.</p> <p>24 Q. And what account number is</p> <p>25 associated with the document in Trustee Exhibit</p>

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<p>1 65?</p> <p>2 A. 1R007310.</p> <p>3 Q. What does a dash 1-0 account</p> <p>4 reflect?</p> <p>5 A. That's an arbitrage account.</p> <p>6 Q. And those are the types of accounts</p> <p>7 that you dealt with at BLMIS?</p> <p>8 A. Yes.</p> <p>9 Q. Ms. Sala, can you identify any</p> <p>10 profit withdrawal transactions in the month of</p> <p>11 July 1995 for this account?</p> <p>12 A. Yes.</p> <p>13 Q. What do you see?</p> <p>14 A. I see on July 5th a check for</p> <p>15 General Mills went out for \$11,793. It was a</p> <p>16 profit withdrawal.</p> <p>17 MS. BROWN: I'd like to mark a</p> <p>18 document bearing the Bates number MADTBB</p> <p>19 01764412 through MADTBB 01764427 as Trustee</p> <p>20 Exhibit 66.</p> <p>21 (Trustee Exhibit 66 for</p> <p>22 identification, MADTBB 1764427 through 1764466)</p> <p>23 .</p> <p>24 Q. Ms. Sala, do you recognize the</p> <p>25 document that's been marked as Trustee Exhibit</p>	<p>1 A. 7/5.</p> <p>2 Q. Looking at the memo in Trustee</p> <p>3 Exhibit 66, what is the date reflected in the</p> <p>4 memo?</p> <p>5 A. 7/5/95.</p> <p>6 Q. And the customer that's identified</p> <p>7 in the memo portion, who is that?</p> <p>8 A. Teresa R. Ryan, Lawrence J. Ryan,</p> <p>9 Trustees, UDT, 11/20/91. 217 Shearwater Isle,</p> <p>10 Foster City, California 94404.</p> <p>11 Q. If I could turn back to Trustee</p> <p>12 Exhibit 63 and have you take a look at the page</p> <p>13 ending in 1238. And if I could direct your</p> <p>14 attention to lines 1 through 4, what does that</p> <p>15 page reflect?</p> <p>16 A. The name of the account, Teresa R.</p> <p>17 Ryan, Lawrence J. Ryan, Trustees, UDT 11/20/91,</p> <p>18 217 Shearwater Isle, Foster City, California</p> <p>19 94404.</p> <p>20 Q. And does the address information</p> <p>21 that you just read from Trustee Exhibit 63 match</p> <p>22 the memo field on Trustee Exhibit 66?</p> <p>23 A. Yes.</p> <p>24 Q. Does --</p> <p>25 A. Yes, it does.</p>
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<p>1 66?</p> <p>2 A. Yes.</p> <p>3 Q. What is that document?</p> <p>4 A. It's a check and a memo.</p> <p>5 Q. And just sticking with the top part</p> <p>6 of Trustee Exhibit 66, what does that portion</p> <p>7 reflect?</p> <p>8 A. A profit withdrawal, a check for</p> <p>9 General Mills on July 5th, 1998 for \$12,7 -- no,</p> <p>10 \$11,793.</p> <p>11 Q. And does that memo portion that you</p> <p>12 just looked at match the profit withdrawal</p> <p>13 transaction you identified in Trustee Exhibit</p> <p>14 65?</p> <p>15 A. Yes, it does.</p> <p>16 Q. How does it match?</p> <p>17 A. It's the same amount, \$11,793 for</p> <p>18 profit for General Mills.</p> <p>19 Q. What date did the transaction occur</p> <p>20 in?</p> <p>21 A. 7/5.</p> <p>22 Q. Sorry, my question wasn't clear.</p> <p>23 On the statement that you looked at, what is the</p> <p>24 date that appears on the payment for that</p> <p>25 transaction?</p>	<p>1 Q. Turning back to Trustee Exhibit 66,</p> <p>2 what is reflected on the bottom portion of</p> <p>3 Trustee Exhibit 66?</p> <p>4 A. It's a check made out to Teresa R.</p> <p>5 Ryan, Lawrence J. Ryan, Trustees, UDT, 11/20/91</p> <p>6 on July 5th, 1995 in the amount of \$11,793.</p> <p>7 Q. And does the information that's</p> <p>8 reflected in the check image of Trustee 66, does</p> <p>9 that correspond to Trustee Exhibit 65?</p> <p>10 A. Yes.</p> <p>11 Q. And how does it correspond?</p> <p>12 A. The check amount of \$11,793 on</p> <p>13 July 5th, the check went out for General Mills</p> <p>14 profit withdrawal.</p> <p>15 Q. So looking at Trustee Exhibit 65</p> <p>16 and Trustee Exhibit 66, what can you tell us</p> <p>17 about these transactions?</p> <p>18 A. Well, a check went out on July 5th</p> <p>19 and it was -- it's reflected in her statement,</p> <p>20 her monthly statement.</p> <p>21 Q. And who is the check made payable</p> <p>22 to?</p> <p>23 A. Both Teresa Ryan and Lawrence Ryan.</p> <p>24 Q. And are those the customer names</p> <p>25 that we saw reflected in Trustee Exhibit 63 on</p>

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14 (Pages 223 to 226)

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<p>1 the name and address file maintenance sheet?</p> <p>2 A. Yes.</p> <p>3 Q. We're done with those exhibits, you</p> <p>4 can put those -- we can put these exhibits away.</p> <p>5 Ms. Sala, you testified before that</p> <p>6 you left BLMIS in 1998, is that right?</p> <p>7 A. I think it was '98.</p> <p>8 Q. Around 1998.</p> <p>9 A. Yes.</p> <p>10 Q. Yes?</p> <p>11 A. Yes.</p> <p>12 Q. To your knowledge, when did BLMIS</p> <p>13 start phasing out the arbitrage strategy?</p> <p>14 A. When I left.</p> <p>15 Q. So around 1998?</p> <p>16 A. Yes.</p> <p>17 Q. Did you assist with phasing out the</p> <p>18 arbitrage strategy?</p> <p>19 A. Yes.</p> <p>20 Q. How did you assist?</p> <p>21 A. I took their -- I transferred their</p> <p>22 money from the arbitrage account into an option</p> <p>23 account.</p> <p>24 Q. And did BLMIS use a numbering</p> <p>25 system to denote whether an account was an</p>	<p>1 or profits or capital withdrawals, whatever</p> <p>2 they -- if they needed money.</p> <p>3 Q. When you took phone calls from</p> <p>4 customers at BLMIS, what would you do after the</p> <p>5 phone call?</p> <p>6 A. Well, it depends on what they</p> <p>7 wanted. But most of the time -- whatever they</p> <p>8 wanted, they had to do it in writing.</p> <p>9 Q. And with regard to -- so if a</p> <p>10 customer wanted a particular amount from their</p> <p>11 account, what would they have to do?</p> <p>12 A. They would have to send us a</p> <p>13 letter.</p> <p>14 Q. And that was true even if they</p> <p>15 spoke to you over the phone?</p> <p>16 A. Yes, mm-hmm.</p> <p>17 Q. Would you do anything with the</p> <p>18 request over the phone about a particular</p> <p>19 withdrawal until you got the letter?</p> <p>20 A. No. I might make a note of it but</p> <p>21 he always wanted a letter and have it initialed</p> <p>22 once it was in.</p> <p>23 Q. And what types of things --</p> <p>24 MR. DEXTER: I'm sorry, when you</p> <p>25 say "he," just clarify.</p>
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<p>1 arbitrage account or an options account?</p> <p>2 A. Yes.</p> <p>3 Q. And what was that numbering system?</p> <p>4 A. 10 was an arbitrage, a 30 and 40</p> <p>5 were option accounts, and 50 was a hedge</p> <p>6 account.</p> <p>7 Q. To your knowledge, did customers</p> <p>8 still have profit withdrawal transactions after</p> <p>9 arbitrage was phased out?</p> <p>10 A. I don't know if they did.</p> <p>11 Q. When you transferred accounts over</p> <p>12 to the dash 3 accounts, to your knowledge, did</p> <p>13 any of the dash 3 accounts receive profit</p> <p>14 withdrawal transactions?</p> <p>15 A. I don't know.</p> <p>16 Q. Ms. Sala, did you ever receive</p> <p>17 phone calls from customers?</p> <p>18 A. Yes.</p> <p>19 Q. About how often?</p> <p>20 A. Oh, every day.</p> <p>21 Q. And what was the nature of those</p> <p>22 phone calls, in a general way?</p> <p>23 A. If they didn't understand something</p> <p>24 that was mailed to them or if they wanted to</p> <p>25 change their account in any way, the name of it,</p>	<p>1 THE WITNESS: Bernie Madoff.</p> <p>2 MR. DEXTER: For the record. Thank</p> <p>3 you.</p> <p>4 Q. What types of things were required</p> <p>5 to be in writing? Could you tell us what you</p> <p>6 remember?</p> <p>7 A. Change the name of the account, if</p> <p>8 they wanted a check made out just to one of them</p> <p>9 if there were two names on the account, if they</p> <p>10 needed money, if they were going to change from</p> <p>11 a send or a reinvest, one way or the other.</p> <p>12 That's basically it.</p> <p>13 Q. Were letters required for customers</p> <p>14 to take out -- I'm sorry, strike that. Were</p> <p>15 letters required for customers to receive</p> <p>16 profits relating to the arbitrage strategy?</p> <p>17 A. No. Those went out automatically.</p> <p>18 THE VIDEOGRAPHER: Five minutes</p> <p>19 remaining on tape, counsel.</p> <p>20 Q. Those are all the questions I have,</p> <p>21 Ms. Sala. Thank you for your time.</p> <p>22 A. Okay.</p> <p>23 MS. BROWN: We can go off the</p> <p>24 record.</p> <p>25 THE VIDEOGRAPHER: The time is</p>

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15 (Pages 227 to 230)

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<p>1 11:16 a.m. Off the record. 2 (Recess taken.) 3 THE VIDEOGRAPHER: The time is 4 11:27 a.m. This beginnings DVD number 2. Back 5 on the record. 6 EXAMINATION 7 BY MR. DEXTER: 8 Q. Ms. Sala, my name is Greg Dexter 9 with the law firm of Chaitman LLP. We represent 10 Madoff customers. 11 I'm going to ask you a series of 12 questions, hopefully this isn't going to take 13 more than an hour and a half, relating to the 14 profit withdrawal issue. 15 To the extent possible, to have a 16 clear record, if you could answer my questions 17 in a yes or no fashion, we would appreciate 18 that. 19 A. Okay. 20 Q. If you can't answer a question 21 because you don't know the answer, just state 22 that you don't know. But try to answer every 23 question either yes, no or I don't know, and to 24 the extent a question needs more elaboration, 25 you can elaborate on it.</p>	<p>1 million dollars. 2 Q. In total? 3 A. Mm-hmm. 4 Q. Or in each one? 5 A. No, in total. 6 Q. And do you recall the balance of 7 the other accounts at that time? 8 A. I think one of my brothers had 9 maybe 200,000, and one had about 500. I'm 10 guessing. 11 My sister-in-law, about 5 -- no, 12 she had more, maybe 750. My daughter, maybe -- 13 under 200. And my son, millions. He lost 14 millions. 15 Q. And how about your cousin? 16 A. Maybe 300,000. 17 Q. And were there claims allowed for 18 SIPC insurance? 19 A. No. My one brother -- I'm sorry, 20 did I say my mother and father, too? 21 Q. No, I don't think you did. What 22 were the figures in those accounts? 23 A. I think his was about 500. 24 THE VIDEOGRAPHER: Counsel, we need 25 to go off the record. The time is 11:32 a.m.</p>
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<p>1 I understand that there were 2 members of your family who may have had accounts 3 with Bernard Madoff, is that true? 4 A. Yes. 5 Q. How many members of your family had 6 accounts with Madoff? 7 THE VIDEOGRAPHER: The time is 8 11:28 a.m. Off the record. 9 (Recess taken.) 10 THE VIDEOGRAPHER: The time is 11 11:29 a.m. Back on the record. 12 MR. DEXTER: Can you read back my 13 last question, please. 14 (The pending question was read.) 15 A. I think six. 16 Q. And which family members were those 17 six? 18 A. Two of my children, my parents, my 19 two brothers, my sister-in-law, and my cousin. 20 Seven. 21 Q. And did you? 22 A. Yes. 23 Q. Do you recall the balance of any of 24 those accounts as of December 11th, 2008? 25 A. My own, I had two accounts, about a</p>	<p>1 Off the record. 2 (Discussion off the record.) 3 THE VIDEOGRAPHER: The time is 4 11:33 a.m. Back on the record. 5 MR. DEXTER: Can you just read back 6 the last few lines of what you have. 7 (The record was read as requested.) 8 Q. Your parents had a joint account? 9 A. Yes. 10 Q. And that account had about 500,000? 11 A. I think so. 12 Q. And were the claims for SIPC 13 insurance on these accounts accepted or denied? 14 A. Most of them were denied. I think 15 that -- I think my cousin got money back, and I 16 think that one of my brothers did. My 17 sister-in-law didn't. 18 Now, my son got some money back. 19 He still lost a lot of money. I don't know, I 20 think he -- I don't really know how they settled 21 it. 22 Q. And okay, so specifically with 23 respect to your account, what happened with 24 that? 25 A. My personal account?</p>

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16 (Pages 231 to 234)

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<p>1 Q. Yes.</p> <p>2 A. They said that I took out more than</p> <p>3 my initial investment so I didn't get it back.</p> <p>4 I had an IRA with them that they gave me back</p> <p>5 principal on that.</p> <p>6 Q. What was the principal on that</p> <p>7 account?</p> <p>8 A. It was about 100,000.</p> <p>9 Q. Earlier you said you had two</p> <p>10 accounts. Was one about 900,000 and the IRA was</p> <p>11 100,000? Was the IRA a third account?</p> <p>12 A. Okay, I'm giving you the figures</p> <p>13 that I thought we had.</p> <p>14 Q. Right.</p> <p>15 A. It would have been a million. That</p> <p>16 I think was 350, the IRA, but I really only had</p> <p>17 a hundred.</p> <p>18 Q. And has anyone in your family been</p> <p>19 sued by the trustee, Irving Picard, for</p> <p>20 claw-backs?</p> <p>21 A. No.</p> <p>22 Q. Are you sure that no one's been</p> <p>23 sued, or you're not sure with respect to some</p> <p>24 family members? Or can you affirmatively say</p> <p>25 that no one has been sued?</p>	<p>1 know what I mean? I always spoke to them.</p> <p>2 Yeah, then I eventually -- we didn't talk</p> <p>3 anymore.</p> <p>4 Q. But did you speak with other</p> <p>5 employees of Madoff after the collapse of Madoff</p> <p>6 Securities?</p> <p>7 A. No, not really. Not that I recall.</p> <p>8 Q. Do you know how customers,</p> <p>9 specifically customer accounts, were allocated</p> <p>10 amongst employees of Madoff Securities?</p> <p>11 A. No.</p> <p>12 Q. You don't know or you don't</p> <p>13 understand?</p> <p>14 A. No, please repeat it then.</p> <p>15 Q. So would you agree that there were</p> <p>16 certain higher-ups at Madoff Securities such as</p> <p>17 Annette Bongiorno and JoAnn Crupi and Frank</p> <p>18 DiPascali who handled certain Madoff accounts?</p> <p>19 A. Yes, different from what I did,</p> <p>20 yes. They did handle different leads.</p> <p>21 Q. And do you know how those accounts</p> <p>22 were allocated between those people?</p> <p>23 A. I think that Frank did the options,</p> <p>24 Annette did the hedges. I'm really not sure</p> <p>25 about it.</p>
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<p>1 A. I don't think anyone was. Oh, I'm</p> <p>2 sorry, my son.</p> <p>3 Q. He was?</p> <p>4 A. Yeah, I think -- yeah. Yeah.</p> <p>5 Yeah, because there was something with -- he had</p> <p>6 sold his dealership and there was something in</p> <p>7 there that he opened an account -- I don't know.</p> <p>8 But he ended up having to pay money back on that</p> <p>9 one account. Yeah.</p> <p>10 Q. Do you know how much he had to pay</p> <p>11 back?</p> <p>12 A. 600,000.</p> <p>13 Q. When was the last time you spoke to</p> <p>14 Mr. Madoff?</p> <p>15 A. 1998, when I worked there.</p> <p>16 Q. And when was the last time you</p> <p>17 spoke to any employee of Madoff Securities?</p> <p>18 A. After it all happened, I spoke with</p> <p>19 Annette and Jodi.</p> <p>20 Q. And what was the substance of those</p> <p>21 discussions?</p> <p>22 A. It was just social.</p> <p>23 Q. And that was only immediately after</p> <p>24 the collapse of Madoff Securities?</p> <p>25 A. Well, I always spoke to them, you</p>	<p>1 Q. Was there any overlap between those</p> <p>2 people? Would those people work on multiple --</p> <p>3 A. Yes.</p> <p>4 Q. Excuse me. Would multiple people</p> <p>5 be working on the same account, or were they all</p> <p>6 divided up so that they had different accounts?</p> <p>7 A. It depended on the type of accounts</p> <p>8 that they had. Some people had -- some people</p> <p>9 had arbitrage, option and hedge accounts. So</p> <p>10 then all of us were involved with that person.</p> <p>11 Q. But on one specific account, if it</p> <p>12 was arbitrage or if it was option, would there</p> <p>13 be multiple employees working on it or just one?</p> <p>14 A. No. Most of the time just the one</p> <p>15 person, but I don't know about the options and</p> <p>16 hedges, that I really don't know.</p> <p>17 Q. Okay. And before you had your</p> <p>18 deposition taken today, did you discuss your</p> <p>19 testimony with anyone?</p> <p>20 A. No.</p> <p>21 Q. So you don't have an attorney in</p> <p>22 these proceedings?</p> <p>23 A. No.</p> <p>24 Q. Did you discuss it with Ms. Brown</p> <p>25 or Ms. Vanderwal?</p>

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17 (Pages 235 to 238)

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<p>1 A. Discuss what?</p> <p>2 Q. The content of your deposition or</p> <p>3 what might be discussed today.</p> <p>4 A. No. Just that I knew it was about</p> <p>5 the profit withdrawals.</p> <p>6 Q. Mm-hmm. You testified in your</p> <p>7 direct examination that everything had to be in</p> <p>8 writing. And earlier you had given the example</p> <p>9 of a capital withdrawal.</p> <p>10 A. Mm-hmm.</p> <p>11 Q. Did profit withdrawals also have to</p> <p>12 be in writing? Requests for profit withdrawals?</p> <p>13 A. No.</p> <p>14 Q. It had to be in writing though to</p> <p>15 set up an account as a profit withdrawal</p> <p>16 account, didn't it?</p> <p>17 A. Yes.</p> <p>18 Q. And wasn't it a policy of</p> <p>19 Mr. Madoff that all requests for profit</p> <p>20 withdrawals had to be in writing?</p> <p>21 MS. BROWN: Objection.</p> <p>22 A. No. No. Just capital withdrawals.</p> <p>23 Q. Isn't it a policy that to establish</p> <p>24 an account as a send account, that had to be in</p> <p>25 writing?</p>	<p>1 Q. So if an account was a reinvest</p> <p>2 account, then profit withdrawals would never be</p> <p>3 sent, correct?</p> <p>4 A. Correct.</p> <p>5 Q. To your knowledge, nobody sent a</p> <p>6 check to a customer unless the customer asked</p> <p>7 for that check in writing, is that correct?</p> <p>8 MS. BROWN: Objection.</p> <p>9 A. Yes. If it was a capital</p> <p>10 withdrawal. That's the only time a check would</p> <p>11 be sent with a request, unless it was a profit.</p> <p>12 That went out automatically.</p> <p>13 Q. Well, when you say automatically,</p> <p>14 you mean in sent accounts profit would go out</p> <p>15 automatically because the account was</p> <p>16 established --</p> <p>17 A. Yes.</p> <p>18 Q. -- to do that.</p> <p>19 A. Yes.</p> <p>20 Q. But to your knowledge, there would</p> <p>21 never be an instance where someone would be sent</p> <p>22 a profit withdrawal check without requesting it</p> <p>23 in writing, correct?</p> <p>24 MS. BROWN: Objection.</p> <p>25 A. Yes. They would have to do it in</p>
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<p>1 MS. BROWN: Objection.</p> <p>2 A. That's when they first set up the</p> <p>3 account. If they changed it they had to send a</p> <p>4 letter. If they changed their minds on profits</p> <p>5 and reinvestments.</p> <p>6 Q. But originally when the account was</p> <p>7 established, it had to be in writing that it</p> <p>8 would be a send account, right?</p> <p>9 MS. BROWN: Objection.</p> <p>10 A. When you fill out the form, yes.</p> <p>11 Q. Right.</p> <p>12 MR. DEXTER: Now, let's just take a</p> <p>13 five-minute break if that's okay.</p> <p>14 THE VIDEOGRAPHER: The time is</p> <p>15 11:43 a.m. Off the record.</p> <p>16 (Recess taken.)</p> <p>17 THE VIDEOGRAPHER: The time is</p> <p>18 11:48 a.m. Back on the record.</p> <p>19 MR. DEXTER: Can you read back the</p> <p>20 last few lines, if you don't mind.</p> <p>21 (The preceding testimony was read.)</p> <p>22 BY MR. DEXTER:</p> <p>23 Q. When who would fill out the form?</p> <p>24 When the customer would fill out the form?</p> <p>25 A. We actually filled it out for them.</p>	<p>1 writing, yes.</p> <p>2 Q. And when a customer would send you</p> <p>3 a request for a check in writing, that would be</p> <p>4 put in their files, correct?</p> <p>5 A. Mm-hmm, yes.</p> <p>6 Q. And those requests, they wouldn't</p> <p>7 be destroyed, those writings wouldn't be</p> <p>8 destroyed, right? Those files --</p> <p>9 A. Not that I know of, no.</p> <p>10 Q. So the requests would be in</p> <p>11 writing, correct? Requests for profit</p> <p>12 withdrawals would be in writing.</p> <p>13 MS. BROWN: Objection. That's not</p> <p>14 what she said.</p> <p>15 A. No, that would be a capital</p> <p>16 withdrawal. If they sent a request, that would</p> <p>17 be a capital withdrawal.</p> <p>18 Q. If they sent any request for a</p> <p>19 withdrawal, it would have to be in writing.</p> <p>20 A. Yes.</p> <p>21 MS. BROWN: Objection.</p> <p>22 Q. And those writings would be placed</p> <p>23 in customer files, correct?</p> <p>24 A. Yes.</p> <p>25 Q. And those files would be retained</p>

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18 (Pages 239 to 242)

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<p>1 by Madoff Investments, correct?</p> <p>2 A. Yes.</p> <p>3 Q. You testified on direct that you</p> <p>4 would write down in a ledger the checks that</p> <p>5 should be written to customers for their profit</p> <p>6 withdrawals, correct?</p> <p>7 A. Yes.</p> <p>8 Q. And Annette Bongiorno kept that</p> <p>9 ledger in her office, correct?</p> <p>10 MS. BROWN: Objection.</p> <p>11 A. No, that was in Jodi's office. The</p> <p>12 spiral check-out book?</p> <p>13 Q. Where would that be kept?</p> <p>14 A. I remember it being in Jodi's room.</p> <p>15 Jodi Crupi.</p> <p>16 Q. Now, did you ever contact a</p> <p>17 customer whose name was written in that ledger</p> <p>18 to receive a check to confirm that they had in</p> <p>19 fact received a check?</p> <p>20 A. No.</p> <p>21 Q. It wasn't your job to speak with</p> <p>22 customers to confirm that they had received</p> <p>23 profit withdrawal checks, correct?</p> <p>24 A. Correct.</p> <p>25 Q. Let's look at Exhibit 22. Let's</p>	<p>1 never called G. Alpern to confirm that G. Alpern</p> <p>2 had received this purported check, correct?</p> <p>3 A. Correct.</p> <p>4 Q. So when you testified earlier that</p> <p>5 a check was sent to G. Alpern, you were really</p> <p>6 sort of saying that you thought a check was sent</p> <p>7 to G. Alpern.</p> <p>8 MS. BROWN: Objection.</p> <p>9 Q. Correct?</p> <p>10 A. Yes.</p> <p>11 Q. Now let's look at the next page.</p> <p>12 You testified earlier that this document</p> <p>13 indicates that customers received PW checks in</p> <p>14 the stock of Selma and Policy Management,</p> <p>15 correct?</p> <p>16 A. Yes.</p> <p>17 Q. But you don't have personal</p> <p>18 knowledge that customers had ever received</p> <p>19 checks in these stocks, do you?</p> <p>20 A. No.</p> <p>21 MS. BROWN: Objection.</p> <p>22 Q. And you had never given these</p> <p>23 checks to the customers.</p> <p>24 A. No.</p> <p>25 Q. And you never confirmed that they</p>
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<p>1 turn to the page with Bates number 1538.</p> <p>2 You testified on direct that a</p> <p>3 check in the indicated amount was sent to a G.</p> <p>4 Alpern as a profit withdrawal, is that correct?</p> <p>5 A. Yes.</p> <p>6 Q. Now, you didn't write that check</p> <p>7 out to a G. Alpern, did you?</p> <p>8 A. Personally?</p> <p>9 Q. Personally.</p> <p>10 A. No.</p> <p>11 Q. Right. And you didn't mail that</p> <p>12 check.</p> <p>13 A. I might have mailed it.</p> <p>14 Q. But you don't know if you had</p> <p>15 personally mailed it.</p> <p>16 A. I don't know.</p> <p>17 Q. And you testified earlier that you</p> <p>18 never spoke with a customer to confirm that they</p> <p>19 had received a profit withdrawal check, so of</p> <p>20 course you never confirmed with Ms. Alpern, or</p> <p>21 with G. Alpern that that purported check was</p> <p>22 ever received, correct?</p> <p>23 MS. BROWN: Objection.</p> <p>24 A. Right.</p> <p>25 Q. Let me rephrase that question. You</p>	<p>1 had received the checks.</p> <p>2 A. No.</p> <p>3 Q. And you never at any time looked at</p> <p>4 the backs of the checks to confirm that they</p> <p>5 were deposited in customers' accounts.</p> <p>6 A. No.</p> <p>7 Q. Okay, let's look at some other</p> <p>8 exhibits. I'm going to show you Exhibits 24,</p> <p>9 25, 26 and 27. And you've already seen these.</p> <p>10 A. Mm-hmm.</p> <p>11 Q. Ms. Sala, do you recognize these</p> <p>12 documents that I'm showing you right now?</p> <p>13 A. Yes.</p> <p>14 Q. And these documents are Trustee</p> <p>15 Exhibits 24, 25, 26 and 27.</p> <p>16 You had testified earlier that to</p> <p>17 your knowledge, Hanoh Charat received the checks</p> <p>18 indicated on this document here where there's a</p> <p>19 copy of the check, correct?</p> <p>20 A. Yes.</p> <p>21 Q. But you never spoke with Hanoh</p> <p>22 Charat to confirm that she received that check,</p> <p>23 did you?</p> <p>24 A. No.</p> <p>25 Q. So you were just testifying based</p>

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19 (Pages 243 to 246)

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<p>1 on an assumption that she had received that 2 check, correct? 3 MS. BROWN: Objection. 4 A. Yes. 5 Q. Are you aware that Annette 6 Bongiorno had testified at her criminal trial 7 that she would regularly backdate customers' 8 statements? 9 MS. BROWN: Objection. 10 A. I didn't know that, no. 11 Q. Are you aware that at Madoff 12 Securities one of Annette Bongiorno's job 13 functions was to create backdated statements to 14 send to customers? 15 MS. BROWN: Objection. 16 A. No, I didn't know that. 17 Q. If I had told you that these 18 account statements were backdated, would that 19 cast doubts on -- strike that. Strike all that. 20 Back to these documents. If Madoff 21 Investments was a Ponzi scheme, then how would 22 you know that any of these statements were 23 accurate? 24 MS. BROWN: Objection. 25 A. Well, I don't. I thought they were</p>	<p>1 it -- 2 A. Mm-hmm. 3 Q. -- the page ending Bates number 4 1952. 5 A. Yes. 6 Q. Are you familiar with this page? 7 A. Yes. 8 Q. You are familiar with this page? 9 A. Mm-hmm. 10 Q. And what do you recognize it to be? 11 A. Well, it's an arbitrage number. 12 Q. Is it fair to say that this is a 13 letter from one Harry Harman purporting to 14 request that his account should be transferred 15 from a reinvest to a send account? 16 A. Yes. 17 Q. And do you know the date of this 18 letter? 19 A. No. 20 Q. Let's assume that this letter 21 actually is from Harry Harman. 22 A. Mm-hmm. 23 Q. Making that assumption, would you 24 have reason to believe that this request was 25 from Harry Harman to Bernard Madoff?</p>
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<p>1 real. 2 Q. And if there are other things 3 Madoff made up at Madoff Investments, then all 4 of these could be made up as well, right? 5 MS. BROWN: Objection. 6 A. Yes. 7 Q. So it's hard to say really what you 8 do know is accurate and what isn't accurate, 9 correct? 10 MS. BROWN: Objection. 11 A. Well, according to the job that I 12 had and what I was told, this was all accurate 13 to me at the time. 14 Q. But now do you still think that 15 these documents are accurate? 16 A. I don't know. I don't know. 17 Q. Let's look at another exhibit. 18 This is Trustee Exhibit 30. Ms. Sala, are you 19 familiar with this document? 20 A. No. 21 Q. You're not familiar with this 22 document? 23 A. No, I didn't handle these accounts. 24 Q. All right, let's look at within 25 this document, even if you're not familiar with</p>	<p>1 A. Well, it's to me at Madoff, yeah. 2 Q. Right. And assuming that this 3 letter was actually from Harry Harman, you would 4 have relied on this letter, correct? 5 A. Yes. 6 Q. To change his account from a 7 reinvest to a send account, right? 8 A. Yes. 9 Q. Because Harry Harman wasn't 10 involved in the fraud at Madoff, correct? 11 MS. BROWN: Objection. 12 A. Not that I know of. 13 Q. Right, because he was just a 14 customer, correct? 15 A. Yes. 16 Q. Let's move to another exhibit, 17 Trustee Exhibit 31. Let's look at the page with 18 Bates number ending in 3566. Do you recognize 19 this letter? 20 A. Yes. 21 Q. And when you received this letter, 22 you received it from a customer, correct? 23 MS. BROWN: Objection. 24 A. Yes. 25 Q. And you had the customer's</p>

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20 (Pages 247 to 250)

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<p>1 instructions, wouldn't you?</p> <p>2 A. Yes.</p> <p>3 Q. And you would make sure that this</p> <p>4 letter was placed in the customer's file,</p> <p>5 correct?</p> <p>6 A. Yes.</p> <p>7 Q. Because Mr. Madoff requested that</p> <p>8 letters from customers be placed in their file,</p> <p>9 correct?</p> <p>10 MS. BROWN: Objection.</p> <p>11 A. Yes.</p> <p>12 Q. Did you ever find mistakes on</p> <p>13 customer documents?</p> <p>14 MS. BROWN: Objection.</p> <p>15 A. I'm sure there's been a mistake</p> <p>16 along the way. I don't -- I can't think of one</p> <p>17 in particular right now.</p> <p>18 Q. So you don't really have a specific</p> <p>19 example of recognizing a mistake on a customer</p> <p>20 document.</p> <p>21 MS. BROWN: Objection.</p> <p>22 A. No. No. The only thing -- the</p> <p>23 initial would mean that you made the change in</p> <p>24 the book.</p> <p>25 Q. We don't have to focus on this</p>	<p>1 Q. Looking back at it now, I mean, is</p> <p>2 there anything specific that would sort of tip</p> <p>3 you off most about the fact that he was a</p> <p>4 criminal?</p> <p>5 A. I never thought of him as a</p> <p>6 criminal until this happened. But I did have</p> <p>7 questions on certain things that he asked me to</p> <p>8 do.</p> <p>9 Q. So what would you do when you had a</p> <p>10 question if you weren't sure something was --</p> <p>11 A. I did what he said. I never</p> <p>12 thought he was involved like he was. I mean,</p> <p>13 not at all. It never, never crossed my mind</p> <p>14 that he would have been doing something wrong.</p> <p>15 He was just in business for so long, an</p> <p>16 outstanding person, well respected. I just</p> <p>17 never expected it, so.</p> <p>18 Q. Let's look at another exhibit.</p> <p>19 Let's look at Exhibit 36. Now, let's turn to</p> <p>20 the page with Bates number ending in 8419, which</p> <p>21 I think is the page that you're on.</p> <p>22 A. Yes.</p> <p>23 Q. Do you have any recollection of</p> <p>24 seeing this document in 1986?</p> <p>25 A. This particular one?</p>
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<p>1 exhibit now. I'm just speaking generally. Did</p> <p>2 a customer ever call you to tell you that there</p> <p>3 was a mistake on a customer's statement, or on</p> <p>4 any document really?</p> <p>5 MS. BROWN: Objection.</p> <p>6 A. I just can't recall anything in</p> <p>7 particular.</p> <p>8 Q. Did you ever think at any time that</p> <p>9 Bernard Madoff might be doing something illegal?</p> <p>10 A. Sometimes, but I never said</p> <p>11 anything to him.</p> <p>12 Q. Well, what did you think that he</p> <p>13 might be doing that was illegal?</p> <p>14 A. No, I didn't think it was illegal.</p> <p>15 It just seemed odd, that's all. Just like maybe</p> <p>16 a profit he wanted bigger or something. I</p> <p>17 didn't really understand how it could be done.</p> <p>18 But if he said to do it, I did it. I didn't</p> <p>19 question him on it. He wasn't the kind of</p> <p>20 person you could question about.</p> <p>21 Q. Right. So if he were to have a</p> <p>22 policy that everything had to be in writing,</p> <p>23 then the people who worked for him would follow</p> <p>24 that policy?</p> <p>25 A. Yes.</p>	<p>1 Q. Yes.</p> <p>2 A. No, I don't know. I don't know.</p> <p>3 We saw these every day. I don't know whose I</p> <p>4 saw.</p> <p>5 Q. Can you or can you not recall</p> <p>6 seeing this document in 1986?</p> <p>7 A. No.</p> <p>8 Q. You can't recall?</p> <p>9 A. I don't recall.</p> <p>10 Q. You don't recall. Are you familiar</p> <p>11 with this name, Aaron Blecker?</p> <p>12 A. Yes.</p> <p>13 Q. Because he was a customer of Madoff</p> <p>14 Securities?</p> <p>15 A. Yes.</p> <p>16 Q. And do you recall ever sending him</p> <p>17 a profit withdrawal check?</p> <p>18 MS. BROWN: Objection.</p> <p>19 A. I don't -- no. I don't remember a</p> <p>20 particular check, no. I just would assume that</p> <p>21 because it was a send account.</p> <p>22 Q. Do you recognize this writing where</p> <p>23 there's an S?</p> <p>24 A. I don't know whose initials they</p> <p>25 are. I know these initials, all of these, but</p>

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21 (Pages 251 to 254)

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<p>1 that I don't know.</p> <p>2 Q. So you don't know who put this S</p> <p>3 here on Aaron Blecker's --</p> <p>4 A. No.</p> <p>5 Q. On this statement opening Aaron</p> <p>6 Blecker's account.</p> <p>7 A. No.</p> <p>8 MS. BROWN: Objection. The</p> <p>9 document is a name/address file maintenance</p> <p>10 form, not a statement.</p> <p>11 Q. It's correct that on this</p> <p>12 name/address file maintenance form, you don't</p> <p>13 know -- on this name/address file maintenance</p> <p>14 form for Aaron Blecker, you don't know who put</p> <p>15 this S?</p> <p>16 A. No, I don't.</p> <p>17 Q. You don't know if it was put by</p> <p>18 Mr. Madoff?</p> <p>19 MS. BROWN: Objection. She said</p> <p>20 she doesn't know.</p> <p>21 A. No, I don't recognize the initial</p> <p>22 either.</p> <p>23 Q. So you have no idea who put that S?</p> <p>24 A. No.</p> <p>25 Q. A few other exhibits that we should</p>	<p>1 A. I don't know. It seems that way</p> <p>2 now. I don't know. I don't know when it</p> <p>3 started. I have no idea.</p> <p>4 Q. You would agree that the customer</p> <p>5 letters that we've seen --</p> <p>6 A. Are legitimate.</p> <p>7 Q. -- are legitimate.</p> <p>8 A. Yes.</p> <p>9 Q. And they were signed by people who</p> <p>10 were not engaged in fraud.</p> <p>11 MS. BROWN: Objection.</p> <p>12 A. As far as I know.</p> <p>13 Q. As far as you know. And these</p> <p>14 documents that were created by Madoff Securities</p> <p>15 were all created by an entity that turned out to</p> <p>16 be engaged in fraud.</p> <p>17 A. Yes.</p> <p>18 Q. So at this point, isn't it true</p> <p>19 that the only reliable documents are the</p> <p>20 customers -- are the letters from customers?</p> <p>21 MS. BROWN: Objection.</p> <p>22 A. It seems like that, but I don't</p> <p>23 know when this started, so I'm not sure -- I'm</p> <p>24 not sure if these were real or not real.</p> <p>25 Q. Do you have any way of knowing</p>
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<p>1 look at. 36, 37, 38, 39 and 40.</p> <p>2 This is 37. I'm still looking for</p> <p>3 36.</p> <p>4 A. I have 36 here.</p> <p>5 Q. Very good. 36, 37, 38, 39, 40.</p> <p>6 Let's turn to Exhibit 37. You had</p> <p>7 testified earlier that Pep Boys was one of the</p> <p>8 stocks used in the convertible arbitrage</p> <p>9 strategy.</p> <p>10 A. Uh-huh. Yes.</p> <p>11 Q. But you have no personal knowledge</p> <p>12 of that, do you?</p> <p>13 MS. BROWN: Objection.</p> <p>14 A. No. I saw -- no.</p> <p>15 Q. It's just what you assumed,</p> <p>16 correct?</p> <p>17 A. Yes.</p> <p>18 Q. Because you thought that</p> <p>19 Mr. Madoff's operation was legitimate, correct?</p> <p>20 MS. BROWN: Objection.</p> <p>21 A. Yes.</p> <p>22 Q. But at this point, isn't it true</p> <p>23 that the only documents that are reliable are</p> <p>24 the ones that were sent from customers?</p> <p>25 MS. BROWN: Objection.</p>	<p>1 which documents were real and which were not</p> <p>2 real?</p> <p>3 MS. BROWN: Objection.</p> <p>4 A. No.</p> <p>5 Q. For the record --</p> <p>6 A. No.</p> <p>7 Q. All right, let's look at another</p> <p>8 set of exhibits, 22, 48 and 26. I'm putting</p> <p>9 before you the BLMIS account statement for Joel</p> <p>10 Blum, CAB Trust account dated July 31st, 1991.</p> <p>11 And this is Trustee Exhibit 48.</p> <p>12 Do you recall seeing this document</p> <p>13 during your May 19th deposition?</p> <p>14 A. I may have. I don't know. I don't</p> <p>15 know if that was his or not.</p> <p>16 Q. Do you recall seeing a -- strike</p> <p>17 that.</p> <p>18 Do you recall seeing any documents</p> <p>19 relating to the CAB Trust for Joel A. Blum?</p> <p>20 MS. BROWN: Objection.</p> <p>21 A. I don't know if I did or not. It's</p> <p>22 not one that I -- I can't remember the name that</p> <p>23 was on it, no.</p> <p>24 Q. All right, well, I'm trying to</p> <p>25 refresh your recollection. Let's look at</p>

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22 (Pages 255 to 258)

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<p>1 Exhibit 22. Let's look at the page ending 1655. 2 This is a handwritten page that was presented to 3 you during your May 19th deposition as an 4 excerpt from a check-out book. Ending in 16 -- 5 A. 55? 6 Q. Yes. Do you recall seeing this 7 document during your May 19th deposition? 8 A. I just don't know if it's the same 9 one. I really -- I'm not sure. It might have 10 been -- I remember an Aaron Blecker. I don't 11 know. 12 Q. All right, let's go off the record. 13 Let's take a short break. 14 THE VIDEOGRAPHER: The time is 15 12:23 p.m. Off the record. 16 (Recess taken.) 17 THE VIDEOGRAPHER: The time is 18 12:29 p.m. This begins DVD number 3. Back on 19 the record. 20 BY MR. DEXTER: 21 Q. Let's turn back to Exhibit 48. 22 What does this look like to you, Ms. Sala? 23 A. A statement. 24 Q. A statement of who? 25 A. CAB Trust.</p>	<p>1 A. Yes. 2 Q. -- testifying to that now? 3 Now, BLMIS didn't make payments to 4 customers unless they were requested in writing, 5 correct? 6 MS. BROWN: Objection. That's not 7 her testimony. 8 A. If it was a capital withdrawal they 9 would request it. See, the profit -- 10 Q. That's okay. Let's turn to Exhibit 11 46, the page ending in 358. Have you seen this 12 letter before, Ms. Sala? 13 MR. DEXTER: For the record, this 14 is a letter related to the CAB Trust account 15 dated April 18th, 1996. 16 Q. Have you seen this? 17 A. I believe I did because my initials 18 are on it. 19 Q. But you don't remember seeing it in 20 1996, do you? 21 A. I can't -- I don't remember that, 22 no. 23 Q. When do you first remember seeing 24 this letter? 25 A. Just now. I can't remember things</p>
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<p>1 Q. And what's the date on it? 2 A. July 31st, 1991. 3 Q. And what does this debit in the 4 amount of \$355.59 in the middle of the page look 5 to you? 6 A. It looks like a profit withdrawal, 7 PW, on July 22nd for -- a check for Liberty 8 National. 9 Q. And what's your basis for stating 10 that? 11 A. Well, the symbol PW meant profit 12 withdrawal. They took all the profits. 13 Q. Okay, let's turn back to Exhibit 14 22, and let's turn to the page with Bates number 15 ending 1655. And if you look about 10 to 15 16 lines down from the top, you'll see with the 17 column marked PW, you'll see an entry for the 18 amount of \$355.59. Do you see that, Ms. Sala? 19 A. Yes. 20 Q. Do you recall testifying during 21 your May 19th deposition that this reflects the 22 same payment to the CAB Trust as indicated on 23 the statement that was Exhibit 48? 24 A. Yes. 25 Q. You do recall --</p>	<p>1 that I saw 20 years ago. 2 Q. And this letter -- have you read 3 this letter? 4 A. Mm-hmm. 5 Q. This letter doesn't request the 6 payment of \$355.59 that was made five years 7 earlier, does it? 8 A. Right. 9 Q. And the letter doesn't refer to an 10 earlier request for that payment, does it? 11 A. No. 12 Q. And this letter doesn't show a 13 standing request for profits to be distributed 14 from the CAB Trust account. 15 A. No. 16 Q. And it doesn't indicate that 17 there's a standing request for profits to be 18 distributed from the CAB Trust account as of 19 July 1991, does it? 20 A. No. 21 MS. BROWN: The letter is dated 22 April 1996. 23 MR. DEXTER: Exactly. 24 Q. In fact, the letter doesn't show 25 that a standing request for profits to be</p>

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23 (Pages 259 to 262)

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<p>1 distributed from the CAB Trust account was ever 2 made, does it? 3 A. No. 4 Q. And other than the documents you've 5 seen in connection with your deposition, you 6 don't recall seeing anything else about the July 7 1991 payment in the amount of \$355.59, do you? 8 MS. BROWN: Objection. 9 A. No. 10 Q. So you're not aware of any written 11 request for the July 1991 payment, are you? 12 MS. BROWN: Objection. 13 A. No. Well, he's asking to close the 14 account. 15 Q. I'm not focussing on this exhibit 16 right now. 17 A. Oh, okay. 18 Q. On the \$355.59 recorded profit 19 withdrawal payment, you're not aware of any 20 written requests for that payment, correct? 21 A. No. 22 Q. No, you're not aware of any written 23 requests for that payment. 24 A. No. 25 Q. And Joel Blum never contacted you</p>	<p>1 A. Yes. 2 Q. You did? 3 A. Mm-hmm. 4 Q. But you never confirmed with any 5 BLMIS customer that they had received a 6 purported profit withdrawal check. 7 A. No. 8 Q. So you have no idea whether Joel 9 Blum requested the July 22nd, 1991 payment, do 10 you? 11 MS. BROWN: Objection. 12 A. No. 13 Q. Now, you didn't prepare -- assuming 14 that there was a check in the amount of \$355.59 15 sent out on or around July 22nd, 1991, you 16 didn't prepare that check, did you? 17 A. No. 18 Q. And you don't recall ever seeing 19 that check yourself, do you? 20 A. No. 21 Q. And it wasn't part of your job to 22 send out checks, was it? 23 A. Not in the end. 24 Q. What do you mean "not in the end"? 25 A. I used to do it when I first worked</p>
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<p>1 to request the July 22nd, 1991 payment, did he? 2 A. I don't remember. 3 Q. So you never -- so you don't recall 4 Joel Blum contacting you to request the 5 July 22nd, 1991 payment, do you? 6 MS. BROWN: Objection. 7 A. No. 8 Q. And he didn't contact you before 9 July 22nd, 1991 to request automatic 10 distribution of all profits from the CAB 11 account, did he? 12 MS. BROWN: Objection. 13 A. No. 14 Q. And in fact, you never spoke 15 directly with Joel Blum, did you? 16 A. Oh, I might have. Probably did. 17 Q. But you don't remember if you 18 ever -- 19 A. No. 20 Q. -- spoke directly with Joel Blum. 21 A. No. 22 Q. And you never in fact spoke 23 directly with any BLMIS customers about payments 24 out of their accounts, did you? 25 MS. BROWN: Objection.</p>	<p>1 there. When we used to hand-write checks. 2 Q. What years? 3 A. '83, '84. 4 Q. Did you ever hand-write a profit 5 withdrawal check in 1983 or '84? 6 A. Yes. 7 Q. And did you ever mail any of those 8 profit withdrawal checks? 9 A. Yes. 10 Q. You personally mailed those profit 11 withdrawal checks? 12 A. Probably. 13 Q. But you don't know. 14 A. I don't know for sure. 15 Q. You really don't know. 16 A. No. 17 Q. After 1984 it wasn't part of your 18 job to write checks, correct? 19 A. No, I only did that for a short 20 time. 21 Q. So after 1994 you don't know 22 whether -- strike that. Not only was it not 23 part of your job to write checks, but it also 24 wasn't part of your job post 1984 to send 25 checks.</p>

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24 (Pages 263 to 266)

<p style="text-align: right;">Page 263</p> <p>1 MS. BROWN: Objection.</p> <p>2 A. Sometimes we did send checks. When</p> <p>3 they're backed up in mailing, we did it. We'd</p> <p>4 help them with it. That goes for statements or</p> <p>5 anything. If someone might have needed help in</p> <p>6 another department, we helped them.</p> <p>7 Q. But of course you don't know if any</p> <p>8 check -- if this check was sent out on July</p> <p>9 22nd, 1991.</p> <p>10 A. No.</p> <p>11 Q. And it wasn't part of your job to</p> <p>12 reconcile the BLMIS checkbook, right?</p> <p>13 A. In the early '80s, but not when I</p> <p>14 left, no.</p> <p>15 Q. It was not part of your job to</p> <p>16 reconcile the BLMIS checkbook in 1991, was it?</p> <p>17 A. No.</p> <p>18 MR. DEXTER: We can go off the</p> <p>19 record.</p> <p>20 THE VIDEOGRAPHER: The time is</p> <p>21 12:41 p.m. Off the record.</p> <p>22 (Recess taken.)</p> <p>23 THE VIDEOGRAPHER: The time is</p> <p>24 12:49 p.m. Back on the record.</p> <p>25 BY MR. DEXTER:</p>	<p style="text-align: right;">Page 265</p> <p>1 book in the computer room?</p> <p>2 A. It was always in Jodi's room. I</p> <p>3 don't know, I don't know. What I remembered was</p> <p>4 that it went into the computer room to be</p> <p>5 punched in.</p> <p>6 Q. How could it be kept both in Jodi's</p> <p>7 office --</p> <p>8 A. It wasn't kept in the computer</p> <p>9 room. It was kept in Jodi's office. But when</p> <p>10 the checks had to be punched, it went into the</p> <p>11 computer room to be punched. Maybe I'm wrong.</p> <p>12 Maybe they didn't go in there. I don't know who</p> <p>13 would have punched them.</p> <p>14 Q. So you don't know what happened to</p> <p>15 the book after you would write in it.</p> <p>16 A. No. It was in Jodi's office.</p> <p>17 Q. And you wouldn't know if some of</p> <p>18 the entries in that ledger were altered after</p> <p>19 you had written in them --</p> <p>20 MS. BROWN: Objection.</p> <p>21 Q. -- would you?</p> <p>22 A. You mean in the spiral check-out</p> <p>23 book?</p> <p>24 Q. Yes.</p> <p>25 A. No. No, I wouldn't know that.</p>
<p style="text-align: right;">Page 264</p> <p>1 Q. Circling back to something we</p> <p>2 touched on a little bit earlier, you indicated</p> <p>3 that a ledger -- the handwritten ledger that we</p> <p>4 were discussing was kept in Jodi Crupi's office,</p> <p>5 correct?</p> <p>6 A. No. That was the spiral check-out</p> <p>7 book.</p> <p>8 Q. The spiral check-out book was</p> <p>9 kept --</p> <p>10 A. Was in Jodi's, yeah.</p> <p>11 Q. And you wrote down in that spiral</p> <p>12 check-out book the checks that should be written</p> <p>13 out to customers for their profit withdrawals,</p> <p>14 correct?</p> <p>15 A. And capital withdrawals, yes.</p> <p>16 Q. And you don't know what Jodi did</p> <p>17 with that spiral check-out book after you would</p> <p>18 write in it and it would be placed in her</p> <p>19 office, correct?</p> <p>20 MS. BROWN: Objection.</p> <p>21 A. It went into the computer room.</p> <p>22 Q. The book went into the computer</p> <p>23 room?</p> <p>24 A. Yes.</p> <p>25 Q. Was it in Jodi's office or was the</p>	<p style="text-align: right;">Page 266</p> <p>1 Q. Let's just shift gears a little</p> <p>2 bit. Are you aware that Annette Bongiorno was</p> <p>3 found to have a Madoff account in the amount of</p> <p>4 approximately \$50 million at the time the fraud</p> <p>5 was uncovered?</p> <p>6 MS. BROWN: Objection.</p> <p>7 A. I didn't know that, no.</p> <p>8 Q. You testified earlier that you</p> <p>9 weren't aware that Annette Bongiorno regularly</p> <p>10 backdated customer statements.</p> <p>11 A. No --</p> <p>12 MS. BROWN: Objection.</p> <p>13 Q. You weren't aware?</p> <p>14 A. No, I wasn't aware of that.</p> <p>15 Q. But you had testified that certain</p> <p>16 things Mr. Madoff said to you, looking back at</p> <p>17 it now, suggests to you that maybe there was</p> <p>18 back-dating occurring at Madoff --</p> <p>19 MS. BROWN: Objection.</p> <p>20 A. No. Not backdating. Other</p> <p>21 things -- you know, other things that when I</p> <p>22 look back it would -- not back-dating.</p> <p>23 Q. Well, what other things looked</p> <p>24 suspicious to you?</p> <p>25 A. Profits. Profits.</p>

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25 (Pages 267 to 270)

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<p>1 Q. The profits looked suspicious to 2 you? 3 A. Some of them. 4 Q. And did some of the profit 5 withdrawal checks that were sent to customers 6 look suspicious to you? 7 A. No. No. 8 Q. But how could it be that the 9 profits were suspicious but certain -- profit 10 withdrawal checks weren't? 11 A. No, it's if -- that's not what I 12 meant. I meant, like, if a customer didn't 13 make -- wasn't making what he was expected or 14 promised or whatever, we would change that. 15 Bernie would ask me to change that. 16 Q. So in other words, the profits on 17 an account could be changed? 18 A. If he told me to do that, yes. 19 Q. So a lot of the transactions and a 20 lot of the records indicating purported 21 transactions were just made up? 22 MS. BROWN: Objection. 23 A. Well, looking back, something might 24 have been wrong but just if I wasn't -- if I 25 wasn't making enough money --</p>	<p>1 A. After. 2 Q. I understand you didn't think so at 3 the time. But I'm saying looking back now with 4 the benefit of hindsight, isn't it true that a 5 lot of the records evidencing purported 6 transactions at Madoff Investments were false? 7 MS. BROWN: Objection. 8 A. Yes. Yes. 9 Q. Yes. So if a lot of the 10 transactions were false and a lot of the records 11 evidencing those transactions were false, then 12 why wouldn't records evidencing profit 13 withdrawal transactions be false? 14 MS. BROWN: Objection. 15 A. Because that's what the customer 16 requested. If they wanted to take a profit. Do 17 you mean the profit itself? The profit itself 18 wasn't real? 19 Q. Going back -- you said that the 20 profit withdrawals -- those are what the 21 customers requested. 22 A. Yes. 23 Q. Do you know a single instance where 24 a customer received a profit withdrawal check 25 without requesting it?</p>
Page 268	Page 270
<p>1 Q. Well, can you answer that yes or 2 no? 3 MR. DEXTER: Can you repeat my 4 question, please. 5 (The pending question was read.) 6 A. No. 7 Q. No, the records and transactions of 8 Madoff Investments were not made up? 9 A. At the time I didn't think so. 10 Q. No, I'm not asking you what you 11 thought at the time. I'm asking you now. 12 MS. BROWN: Objection. What's the 13 question? 14 Q. The question now is, isn't it true 15 that a lot of the records indicating purported 16 transactions at Madoff Securities were 17 completely false? 18 MS. BROWN: Objection. 19 A. No. No. 20 Q. It's not true that records of 21 transactions at Madoff Securities were not 22 false? 23 MS. BROWN: Objection. 24 A. When I worked there -- 25 Q. I understand --</p>	<p>1 MS. BROWN: Objection. 2 A. No. 3 Q. All right, I don't have anything 4 further. 5 MS. BROWN: I need to switch seats, 6 so let's take a short break. Let's go off the 7 record. 8 THE VIDEOGRAPHER: The time is 9 12:58 p.m. Off the record. 10 (Recess taken.) 11 THE VIDEOGRAPHER: The time is 1:07 12 p.m. Back on the record. 13 EXAMINATION CONTINUED 14 BY MS. BROWN: 15 Q. Ms. Sala, I just have a few 16 follow-up questions for you. 17 A. Okay. 18 Q. Ms. Sala, since December 2008, have 19 you become aware that BLMIS was operating a 20 Ponzi scheme? 21 A. Yes. 22 Q. During the time that you were 23 employed at Madoff, did customers deposit money 24 with Madoff? 25 A. Yes.</p>

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26 (Pages 271 to 274)

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<p>1 Q. During the time that you were 2 employed at Madoff, did customers withdraw money 3 from Madoff? 4 A. Yes. 5 Q. Were those transactions reflected 6 on customer statements? 7 A. Yes. 8 Q. You testified earlier that you 9 didn't call to confirm that profit withdrawal 10 checks were received by customers, correct? 11 A. Yes. 12 Q. Did anyone at BLMIS call to confirm 13 whether profit withdrawal checks were received 14 by the customers? 15 A. No. 16 Q. Would a customer call BLMIS if they 17 did not receive a check? 18 A. Yes. 19 Q. Did that happen while you were 20 employed there? 21 A. Yes. 22 Q. To your knowledge, did other BLMIS 23 employees receive similar phone calls from 24 customers when they did not receive checks? 25 A. I imagine so. I don't know.</p>	<p>1 customer's account number? 2 A. Yes. 3 Q. And does this form reflect the 4 customer's name? 5 A. Yes. 6 Q. Does this form reflect the 7 customer's address? 8 A. Yes. 9 Q. Does this form reflect the 10 customer's Social Security number? 11 A. Yes. 12 Q. When you worked at BLMIS, did you 13 fill out this form for any customer accounts? 14 A. I must have. I imagine I have. 15 Q. And when you worked at BLMIS, did 16 you complete this form accurately? 17 A. Yes. 18 Q. Was this form filled out as part of 19 your duties at BLMIS? 20 A. If I was opening the account, yes. 21 Q. So if you were opening the account, 22 you would fill out the name and address file 23 maintenance form that's reflected in the page 24 ending 356? 25 A. Yes.</p>
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<p>1 Q. But you personally did receive 2 phone calls from customers when they did not 3 receive checks. 4 A. Yes. 5 Q. And what would you do when you 6 received that phone call? 7 A. See if the checks went out. 8 Q. And who would you check with? 9 A. The -- well, in their ledger it 10 would show. And the check-out, the spiral 11 check-out book. 12 Q. Thank you. 13 I'd like to turn to Trustee Exhibit 14 46. If you could turn to the page ending in 15 356, which is the second page of that document. 16 Ms. Sala, you testified that you're familiar 17 with this type of form, correct? 18 A. Yes. 19 Q. And this was a form used by BLMIS 20 employees? 21 A. Yes. 22 Q. And was this form filled out by 23 BLMIS employees? 24 A. Yes. 25 Q. Does this form reflect the</p>	<p>1 Q. Ms. Sala, looking at Exhibit 46 2 which you have before you, can you tell me 3 whether or not this account is a send or a 4 reinvest account? 5 A. A send. 6 Q. And how can you tell that? 7 A. The S. 8 MS. BROWN: Let the record reflect 9 that the witness is pointing to the page ending 10 in 356. 11 Q. And if an account is marked as an S 12 account, does the customer need to provide a 13 written request to receive its profits related 14 to that account? 15 A. No. 16 Q. And when each deal ends, would they 17 need to send a letter in at the end of each deal 18 to request the profits related to that deal? 19 A. No. 20 Q. Would their profits be sent to them 21 automatically? 22 A. Yes. 23 Q. And without any written request 24 relating to the profit withdrawal transaction? 25 A. Yes.</p>

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<p>1 Q. If we could turn to Trustee Exhibit 2 22, if we could look at the page ending in 1655. 3 Ms. Sala, what is contained on this page? 4 A. The profit withdrawals for Liberty 5 National Bank Corp. 6 Q. And are there a number of customers 7 that are listed on this page? 8 A. Yes. 9 Q. Do you see the transaction about 10 halfway down the page for CAB First? 11 A. Yes. 12 Q. What is the amount of that 13 transaction? 14 A. \$355.59. 15 Q. This account was marked as a send 16 account. 17 A. Yes. 18 Q. Would you -- would this customer 19 have had to make a written request to BLMIS in 20 order to receive the check of \$355.59? 21 A. No. 22 Q. You testified before that when 23 customers wanted to make a change to the send or 24 reinvest status of their account, that that had 25 to be in writing, correct?</p>	<p>1 A. Send. 2 Q. And did this account have any 3 changes to the send or reinvest status according 4 to the name and address file maintenance page? 5 A. No, doesn't look like it did. 6 Q. Can you tell me whether you believe 7 this account was set up as a send account? 8 A. I think it was. 9 Q. And why do you think that? 10 A. Because there would have been Rs 11 and Ss down here, and there's only the one. 12 Q. And if it was set up as a send 13 account, would the customer have needed to write 14 letter requests to Madoff in order to receive 15 its profits relating to the profit withdrawal 16 strategy? 17 A. No. 18 Q. You can put those documents away. 19 Ms. Sala, you testified that you 20 had some suspicions or concerns regarding 21 Madoff, and you referred to profits. I just 22 want to clarify something. You were not 23 suspicious of profit withdrawal transactions, 24 were you? 25 A. No.</p>
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<p>1 A. Yes. 2 Q. Can you tell me what the 3 requirements were when an account was set up? 4 A. They had to let us know if they 5 wanted the profits or if they were going to roll 6 the money over. 7 Q. How could they let you know? 8 A. Well, whoever was opening the 9 account, either through Bernie or Annette or a 10 letter. 11 Q. When the account was being opened, 12 was the customer required to write a letter to 13 BLMIS to indicate whether it wanted a send or 14 reinvest? Only when the account was being 15 opened. 16 A. No, they could just tell us. As 17 long as we knew at that time. Anything after 18 that, they had to request it by mail. 19 Q. I'm going to show you what's been 20 marked as Trustee Exhibit 36. Ms. Sala, are you 21 familiar with that document? 22 A. Mm-hmm, yes. 23 Q. Yes? Turning to the page ending in 24 419, can you tell me whether this account is a 25 send or reinvest account?</p>	<p>1 Q. And you weren't suspicious of the 2 profit withdrawal transactions that we've been 3 discussing in these two depositions, were you? 4 A. No. 5 Q. When you were referring to your 6 suspicions that you had, did they have anything 7 to do with the rates of returns that BLMIS 8 customers were able to obtain? 9 A. Yes. 10 Q. What do you understand rates of 11 return to mean? 12 A. What they were expecting to get. 13 Q. And was that on an annual basis? 14 A. Yes. 15 Q. And so when you testified earlier 16 that you had concerns, could you describe for me 17 what those concerns were? 18 A. Well, if a customer thought he 19 wasn't -- that he didn't make enough money that 20 year, that he was promised more or whatever, he 21 was expecting more money, and Bernie would tell 22 me to do an extra trade for him or something. I 23 didn't know how that could be. 24 Q. But those concerns didn't relate to 25 the profit withdrawal transactions that we've</p>

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28 (Pages 279 to 282)

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<p>1 been discussing here today. 2 A. No. 3 Q. I have no further questions. 4 THE VIDEOGRAPHER: The time is 1:16 5 p.m. Off the record. 6 (Discussion off the record.) 7 THE VIDEOGRAPHER: The time is 1:30 8 p.m. Back on the record. 9 EXAMINATION CONTINUED 10 BY MR. DEXTER: 11 Q. Ms. Sala, could you turn to Exhibit 12 36, please, and look at the page ending Bates 13 number 8419. 14 A. Yes. 15 Q. Are you there? 16 A. Yes. 17 Q. We discussed this a little bit 18 earlier, but that S with the checkmark next to 19 it, what does that indicate? 20 A. It's a send account. 21 Q. But you don't know who wrote that 22 S? 23 A. No, I don't recognize those 24 initials. 25 Q. So do you have any idea how this</p>	<p>1 MS. BROWN: Objection. 2 Q. That you know of? 3 A. What was the question? 4 MR. DEXTER: Can you read that 5 back, please. 6 (The pending question was read.) 7 A. No. 8 Q. There wasn't a firmwide policy, or 9 you don't know -- 10 A. No, there wasn't. 11 Q. There wasn't a policy? 12 A. There was not. 13 Q. So in other words, you have no idea 14 really how this was established as a purported 15 send account. 16 MS. BROWN: Objection. 17 A. Well, I know if I was opening an 18 account, I would ask them do you want to roll 19 over your profits or do you want to take your 20 profits. 21 Q. And then after you receive a 22 response, what would you do? 23 A. I'd put an S or an R on there. 24 Q. So you would open up sheets like 25 this.</p>
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<p>1 would become a send account in the first place? 2 A. Aaron Blecker would have had to 3 have requested that when he opened the account. 4 Q. But you don't recognize that to be 5 his handwriting? 6 A. No. 7 Q. And it's probable that a customer 8 like Aaron Blecker never would have written on 9 an internal document like this, right? 10 A. No, he wouldn't. 11 Q. So how would Aaron Blecker have 12 made that request for this to be a send account? 13 A. Whoever spoke to him to open the 14 account would have asked him that. They would 15 have said do you want to receive your profits or 16 do you want to reinvest it. 17 Q. But do you know who spoke with him 18 to open the account? 19 A. No, I don't know. 20 Q. Do you know who typically would 21 speak with new customers to open an account? 22 A. Mostly Annette. 23 Q. Was there a firmwide policy for 24 establishing whether an account would be a send 25 account or a reinvest account?</p>	<p>1 A. Mm-hmm. 2 Q. But you never opened up one for 3 Mr. Blecker. 4 A. No, I don't think so. 5 Q. And you never opened up one for the 6 CAB Trust. 7 A. No, that wasn't my writing. 8 Q. So just for the record, your 9 position today is that to establish an account 10 as a send account, the customer would not need 11 to make that request in writing. 12 A. No. No. 13 Q. And that could be done in a 14 conversation with a Madoff employee. 15 A. Yes. As long as he was opening an 16 account at that time, that's when it's done. 17 But if he was going to change it or they didn't 18 get the answer, then he had to do it in writing. 19 Q. But you don't know of -- strike 20 that. When a customer would create an account, 21 do they have to fill out a form? 22 A. I believe they did. I can't 23 remember now. It was just so long ago, I can't 24 remember. But I know that we would -- they 25 probably -- from what I recall, it was a letter.</p>

BENDISH REPORTING

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29 (Pages 283 to 286)

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<p>1 Either Bernie told me to open the account or</p> <p>2 Annette told me to open the account, or a letter</p> <p>3 came and then I would get it approved from them</p> <p>4 to see if I could open the account, and then</p> <p>5 open it. And usually in that letter it said</p> <p>6 what they wanted to do with the profits. And if</p> <p>7 they didn't, I had to find out what they wanted.</p> <p>8 Q. So in the letter where an account</p> <p>9 was opened, ordinarily it would state whether</p> <p>10 the customer wanted to receive the profits or</p> <p>11 reinvest the profits, correct?</p> <p>12 A. Yes.</p> <p>13 Q. And you would keep those records --</p> <p>14 those records in the customer's file.</p> <p>15 A. Yes.</p> <p>16 Q. And here, with respect to Exhibit</p> <p>17 36, Mr. Blecker's account, there is no such</p> <p>18 letter -- you're not aware of any such letter?</p> <p>19 A. No.</p> <p>20 Q. And you're not aware of how this</p> <p>21 became an S, a send account.</p> <p>22 A. No.</p> <p>23 Q. All right, nothing further, thank</p> <p>24 you.</p> <p>25 THE VIDEOGRAPHER: The time is 1:36</p>	<p>1 WITNESS: _____</p> <p>2 DATE(S): _____</p> <p>3 CASE: _____</p> <p>4 I wish to make the following changes, for the</p> <p>5 following reasons:</p> <p>6 PAGE LINE</p> <p>7 _____ CHANGE FROM: _____</p> <p>8 _____ CHANGE TO: _____</p> <p>9 REASON: _____</p> <p>10 _____ CHANGE FROM: _____</p> <p>11 _____ CHANGE TO: _____</p> <p>12 REASON: _____</p> <p>13 _____ CHANGE FROM: _____</p> <p>14 _____ CHANGE TO: _____</p> <p>15 REASON: _____</p> <p>16 _____ CHANGE FROM: _____</p> <p>17 _____ CHANGE TO: _____</p> <p>18 REASON: _____</p> <p>19 _____ CHANGE FROM: _____</p> <p>20 _____ CHANGE TO: _____</p> <p>21 REASON: _____</p> <p>22 _____ CHANGE FROM: _____</p> <p>23 _____ CHANGE TO: _____</p> <p>24 Subscribed and sworn to before me this _____ day</p> <p>25 of _____, 2016.</p>
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<p>1 p.m. Off the record.</p> <p>2 (TIME NOTED: 1:36 p.m.)</p> <p>3</p> <p>4 JOANN SALA</p> <p>5</p> <p>6 Subscribed and sworn to before me</p> <p>7 this _____ day of _____, 2016.</p> <p>8</p> <p>9 _____</p> <p>10 Notary Public</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>	<p>1 CERTIFICATE</p> <p>2</p> <p>3 STATE OF NEW YORK)</p> <p>4 : SS.</p> <p>5 COUNTY OF NEW YORK)</p> <p>6</p> <p>7 I, SUZANNE PASTOR, a Shorthand</p> <p>8 Reporter and Notary Public within and for the</p> <p>9 State of New York, do hereby certify:</p> <p>10 That the witness whose deposition is</p> <p>11 hereinbefore set forth, was duly sworn by me and</p> <p>12 that such deposition is a true record of the</p> <p>13 testimony given by the witness.</p> <p>14 I further certify that I am not</p> <p>15 related to any of the parties to this action by</p> <p>16 blood or marriage, and that I am in no way</p> <p>17 interested in the outcome of this matter.</p> <p>18 IN WITNESS WHEREOF, I have hereunto</p> <p>19 set my hand this _____, 2016.</p> <p>20</p> <p>21 _____</p> <p>22 SUZANNE PASTOR</p> <p>23</p> <p>24</p> <p>25</p>

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